

EXHIBIT 11A

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7
8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 LOS ANGELES DIVISION
11

12 In re
13 MARION KNIGHT, JR.,
14 Debtor.

) Case No. 2:06-11187-VZ

) Chapter 11

) NOTICE OF MOTION AND CHAPTER
11 TRUSTEE'S MOTION FOR
15 APPROVAL OF SETTLEMENT WITH
16 LYDIA HARRIS, MICHAEL HARRIS,
17 CONQUEST MEDIA GROUP, LLC, AND
HELEN FRAZER AS THE CHAPTER 7
TRUSTEE FOR THE ESTATE OF
18 LYDIA HARRIS; AND MEMORANDUM
OF POINTS AND AUTHORITIES,
19 DECLARATION OF RICHARD K.
DIAMOND, AND REQUEST FOR
20 JUDICIAL NOTICE IN SUPPORT
THEREOF

) Date: May 27, 2008

) Time: 11:00 a.m.

) Place: Courtroom 1368
255 E. Temple St.
Los Angeles, CA

24 PLEASE TAKE NOTICE that on May 27, 2008, at 11:00 a.m., or as soon thereafter as the
25 matter may be heard, in Courtroom "1368" of the United States Bankruptcy Court located at 255
26 East Temple Street, Los Angeles, California, Richard K. Diamond, the Chapter 11 trustee (the
27 "Knight Trustee") for the estate of Marion Knight, Jr. ("Knight"), will and does hereby move for an
28 order approving the proposed settlement between the Knight Trustee and R. Todd Neilson, the

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1 Chapter 11 trustee (the "DRR Trustee") for the estate of Death Row Records, Inc. ("Death Row"),
2 on the one hand, and Lydia Harris, Michael Harris, Conquest Media Group, LLC
3 ("Conquest/Harris"), and Helen Frazer, as the Chapter 7 trustee (the "Harris Trustee") for the estate
4 of Lydia Harris, on the other hand.

5 This motion is made on the following grounds: On or about April 4, 2006 (the "Petition
6 Date"), the Debtor and Death Row filed separate voluntary petitions for relief under Chapter 11 of
7 Title 11 of the United States Code. In July 2006, the DRR Trustee was appointed as the Chapter 11
8 trustee for the Death Row estate. In March 2007, the Knight Trustee was appointed as the Chapter
9 11 trustee for the Knight estate.

10 In both the Knight and Death Row cases, Lydia Harris and Michael Harris separately filed
11 proofs of claims relating to a Superior Court judgment entered in favor of Lydia Harris as a
12 terminating sanction against both Knight and Death Row in the principal amount of \$107 million
13 (the "Judgment"), consisting of compensatory damages of \$45 million of economic damages and
14 \$2 million of non-economic damages, plus \$60 million of punitive damages. In a separate Superior
15 Court judgment in Lydia and Michael Harris' marital dissolution proceeding, the Judgment was
16 found to be a community property asset of their marital estate. Lydia and Michael Harris have
17 represented that they subsequently assigned their interests in the Judgment to Conquest Media
18 Group, LLC ("Conquest").

19 Litigation relating to the Judgment is pending before the Bankruptcy Court. The Knight
20 Trustee and the DRR Trustee are plaintiffs in an adversary proceeding originally filed by Knight
21 and Death Row seeking, among other things, (a) a declaration that the Judgment has been settled
22 and fully resolved, (b) disallowance, reduction and/or subordination of the claims filed by Lydia
23 Harris and Michael Harris, and (c) avoidance of a \$1 million payment made by Knight prior to the
24 Petition Date. Also, Lydia Harris and Michael Harris filed an adversary proceeding against Knight
25 seeking a determination that their claims against Knight under the Judgment are non-dischargeable
26 under 11 U.S.C. § 523.

27 In August 2007, the Bankruptcy Court ordered the parties to mediation. Since then, the
28 parties have engaged in substantial settlement discussions, frequently with the assistance of the

1 mediator, the Honorable Mitchel R. Goldberg, a judge (now retired) for the United States
2 Bankruptcy Court for the Central District of California, Riverside Division. After substantial
3 settlement negotiations, and subject to approval of the Bankruptcy Court in the Knight and Death
4 Row cases, as well as the Bankruptcy Court in Lydia Harris' personal bankruptcy case, the parties
5 have agreed to the terms of a global settlement which has been memorialized in a written
6 settlement agreement (the "Agreement") which is attached as Exhibit "1" to the Declaration of
7 Richard K. Diamond appended hereto.

8 Under the Agreement, Lydia and Michael Harris' claims against both the Knight and Death
9 Row estates will be allowed as general unsecured claims in the amount of \$30 million and a
10 subordinated unsecured claim in the amount of \$15 million. The general unsecured claim will be
11 paid in the aggregate in three phases, with the maximum amount to be paid to Conquest/Harris
12 capped in the first two phases to ensure that other allowed general unsecured claims receive certain
13 minimum distributions from and to the extent of available funds.¹ Also, the subordinated claim
14 will be paid pursuant to the priority afforded by § 726(a)(4) of the Bankruptcy Code, again from
15 and to the extent of available funds. The manner which such distributions are allocated as between
16 Conquest/Harris and the Harris Trustee will be determined amongst themselves.

17 The Agreement also contains provisions relating to the payment of other claims asserted
18 against the Knight and Death Row estates. For example, proofs of claims have been filed against
19 the Knight and Death Row estates by the law firm of Wasserman, Comden & Casselman, LLP (the
20 "Wasserman Firm"), which represented Lydia Harris in connection with her Superior Court lawsuit

21
22 ¹ Pursuant to the settlement, of the first \$10 million of distributions collectively made by the
23 Knight Trustee and the DRR Trustee to general unsecured creditors, the amount paid to the Lydia
24 and Michael Harris will not exceed 50% of all such distributions and, in any event, will not exceed
25 \$3.5 million. Of the next \$10 million of distributions collectively made by the Knight Trustee and
26 the DRR Trustee to general unsecured creditors, the amount paid to Lydia and Michael Harris will
27 not exceed 50% of all such distributions and, in any event, will not exceed \$2 million until other
28 claims are paid in full. Of the next \$10 million of distributions collectively made by the Knight
Trustee and the DRR Trustee to general unsecured creditors, the amount paid to Lydia and Michael
Harris will not exceed 50% of all such distributions until other general unsecured claims have been
paid in full (exclusive of surplus interest). Once all other allowed general unsecured claims have
been paid in full (not including surplus interest), Lydia and Michael Harris will receive 100% of
further distributions until their claim has been paid in full (exclusive of surplus interest).

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1 against Knight and Death Row. To the extent the Wasserman Firm (or any other creditor whose
2 claim is based upon, derivative of or measured by the Judgment) is entitled to a distribution on
3 account of such claims, Conquest/Harris will indemnify the Knight and Death Row estates for such
4 distributions, and any such distributions will be credited against the distributions that would
5 otherwise be paid to Conquest/Harris.

6 With respect to the pending litigation, the Agreement provides that the Knight Trustee and
7 the DRR Trustee will dismiss the adversary proceeding against Lydia and Michael Harris. In
8 addition, the non-dischargeability proceeding by Lydia and Michael Harris against Knight
9 personally will be dismissed. Upon the effective date of the Agreement, the parties will release one
10 another of all known and unknown claims, and any judgment liens are avoided and preserved for
11 the benefit of the estates.

12 The Knight Trustee believes that the proposed settlement is a fair and reasonable settlement
13 of his claims against Conquest/Harris and the Harris Trustee, and is in the best interests of the
14 Knight estate and its creditors. The Official Committee of Unsecured Creditors (the "Committee")
15 appointed in the Knight case was heavily involved in the negotiation of the terms set forth in the
16 proposed settlement, and the Knight Trustee understands that the Committee supports this motion
17 and approval of the Agreement. Accordingly, the Knight Trustee is requesting approval of his
18 proposed settlement on the terms set forth in the Agreement.

19 The motion is based upon the separate notice, this notice and motion, the accompanying
20 Memorandum of Points and Authorities, Declaration of Richard K. Diamond, and Request for
21 Judicial Notice, the DRR Trustee's motion filed or to be filed in the Death Row case for approval
22 of the proposed settlement in that case, the papers and pleadings on file in this case, and such other
23 evidence as may be presented to the Court.

24 **PLEASE TAKE FURTHER NOTICE** that pursuant to Local Bankruptcy Rule 9013-
25 1(a)(7), any party opposing the relief sought by the motion must file a response in writing, filed
26 with the Clerk of the Court and served upon the following not less than fourteen (14) days prior to
27 the hearing on the motion:

28 ///

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Any response not timely filed and served may be deemed by the Court to be consent to the granting
of the motion. If you do not have any objection to the motion, you do not need to take any further
action.

Dated: May 2, 2008

DANNING, GILL, DIAMOND & KOLLITZ, LLP

By: John N. Tedford, IV
John N. Tedford, IV
Attorneys for Richard K. Diamond,
Chapter 11 Trustee

MEMORANDUM OF POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS

A. BANKRUPTCY BACKGROUND

1. IN RE MARION KNIGHT, JR., CASE NO. 2:06-11187-VZ

On or about April 4, 2006 (the "Petition Date"), Marion Knight, Jr. ("Knight"), filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Code"). On or about March 7, 2007, on motion of the United States Trustee, the Court entered its order directing the appointment of a Chapter 11 trustee. On or about March 9, 2007, the Court entered its order approving the appointment of Richard K. Diamond (the "Knight Trustee") as the Chapter 11 trustee. Thereafter, the Knight Trustee accepted appointment as the Chapter 11 trustee for the Knight estate and continues to act in such capacity for the benefit of the estate and its creditors.

2. IN RE DEATH ROW RECORDS, INC., CASE NO. 2:06-11205-VZ

Death Row Records, Inc. ("Death Row") is a rap and hip-hop record label founded by, among others, Knight. Prior to the Petition Date, Death Row ceased business operations. On the Petition Date, Death Row also filed a voluntary petition for relief under Chapter 11 of the Code. On or about July 11, 2006, the Court entered its order directing the appointment of a Chapter 11 trustee. R. Todd Neilson (the "DRR Trustee") was appointed as the Chapter 11 trustee for the Death Row estate and continues to act in such capacity for the benefit of the Death Row estate and its creditors.

3. IN RE LYDIA HARRIS, CASE NO. 1:96-15521-GM

On or about May 17, 1996, Lydia Harris filed a voluntary petition for relief under Chapter 7 of the Code. Helen Frazer was appointed as the Chapter 7 trustee (the "Harris Trustee") for Lydia Harris' estate. On or about December 15, 1999, Lydia Harris' case was closed. However, during 2007 the Harris Trustee became aware of Lydia Harris' alleged claims against the Knight and

1 Death Row estates, which claims arose prior to Lydia Harris' bankruptcy filing. On or about
2 August 23, 2007, pursuant to a stipulation between Lydia Harris and the Harris Trustee, the Court
3 in Lydia Harris' case reopened the case and re-appointed the Harris Trustee.

4
5 B. CLAIMS BY LYDIA HARRIS AND MICHAEL HARRIS AGAINST THE KNIGHT
6 AND DEATH ROW ESTATES

7 In February 2002, Lydia Harris filed a complaint against Knight and Death Row in the Los
8 Angeles Superior Court. In her lawsuit, Lydia Harris alleged, among other things, that Knight and
9 Death Row had defrauded her of the prospective economic benefits from her interest in Death Row.
10 Lydia Harris was represented in the action by the law firm of Wasserman, Comden & Casselman,
11 LLP (the "Wasserman Firm"). On or about March 9, 2005, the Superior Court entered judgment
12 (the "Judgment") as a terminating sanction against Knight and Death Row, jointly and severally, in
13 the principal amount of \$107 million: \$45 million of economic damages; \$2 million of non-
14 economic damages; and \$60 million of punitive damages.

15 Lydia Harris and Michael Harris were at one time married, but are now divorced. Pursuant
16 to an order of the Superior Court in their divorce proceeding, Lydia Harris' claims arising out of
17 the Judgment constitute community property. The manner in which the claims arising out of the
18 Judgment are to be allocated as between Lydia and Michael Harris is disputed, and a trial on such
19 issue is set before the Superior Court. In the interim, in May 2006, Michael Harris filed proofs of
20 claim in both the Knight and Death Row cases based on the Judgment.² Also, in October 2006,
21 Lydia Harris filed proofs of claim in both cases based on the Judgment.³

22 ///

23 ///

24

25 ² A copy of Michael Harris' proof of claim in the Knight case is attached as Exhibit "2" to
26 the Request for Judicial Notice.

27 ³ A copy of Lydia Harris' proof of claim in the Knight case is attached as Exhibit "3" to the
28 Request for Judicial Notice.

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1 C. ADVERSARY PROCEEDING COMMENCED BY KNIGHT AND DEATH ROW
2 AGAINST LYDIA AND MICHAEL HARRIS RELATING TO THEIR ALLEGED
3 CLAIMS

4 In June 2006, Knight and Death Row (acting as debtors-in-possession of their respective
5 estates) filed a complaint against Lydia and Michael Harris. Knight and Death Row alleged,
6 among other things, that in May 2005, Knight and Death Row paid \$1 million to Lydia Harris with
7 the understanding that such payment would constitute a complete settlement of the Judgment.
8 They further alleged that Lydia Harris now contends that there was no settlement. Knight and
9 Death Row requested, among other things, that the Bankruptcy Court declare the Judgment invalid
10 and unenforceable, that the Bankruptcy Court declare that the parties entered into a valid and
11 binding settlement in April 2005 pursuant to which the \$1 million was paid to Lydia Harris, a
12 judgment for damages allegedly caused by fraud and misrepresentations by the defendants,
13 avoidance of the \$1 million transferred to Lydia Harris, and avoidance or subordination of all or
14 portions of Lydia and Michael Harris' alleged claims.

15 In November 2006, the Court entered an order abstaining from hearing certain claims for
16 relief asserted in the complaint filed by Knight and Death Row, and stayed other claims for relief.
17 Pursuant to the Court's order, Knight and Death Row filed a First Amended Complaint, which is
18 currently the operative complaint in the adversary proceeding.⁴

19 Also in November 2006, the Court authorized the substitution of the DRR Trustee as a
20 plaintiff in the adversary proceeding in place of Death Row. In May 2007, the Court authorized the
21 substitution of the Knight Trustee as a plaintiff in place of Knight. This adversary proceeding
22 ("Adversary Proceeding No. 2:06-01660-VZ") remains pending.

23 ///

24 ///

25 ///

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27 ⁴ A copy of the First Amended Complaint is attached as Exhibit "5" to the Request for
28 Judicial Notice.

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1 D. LYDIA HARRIS' AND MICHAEL HARRIS' NON-DISCHARGEABILITY CLAIMS
2 AGAINST KNIGHT

3 In July 2006, Lydia and Michael Harris filed a complaint against Knight, seeking a
4 determination that the debt owed by Knight arising out of the Judgment is non-dischargeable under
5 § 523(a) of the Code. This adversary proceeding ("Adversary Proceeding No. 2:06-01809-VZ")
6 remains pending.

7
8 E. THE ASSIGNMENT OF LYDIA AND MICHAEL HARRIS' CLAIMS TO CONQUEST
9 MEDIA GROUP, LLC

10 Lydia and Michael Harris have represented that they each transferred their respective claims
11 against the Knight and Death Row estates arising out of the Judgment to Conquest Media Group,
12 LLC ("Conquest"). In March 2007, Conquest filed a *Request for Issuance of Notice of Transfer of*
13 *Claim Pursuant to F.R.B.P. 3001(e)* with respect to both Lydia Harris' and Michael Harris' claims.
14 The Clerk of the Court issued such a notice on or about April 2, 2007.

15 On or about April 27, 2007, Conquest filed a motion seeking to substitute into Adversary
16 Proceeding No. 2:06-01660-VZ. By order entered on or about June 7, 2007, the Bankruptcy Court
17 denied Conquest's motion.

18
19 F. CLAIMS BY THE WASSERMAN FIRM AGAINST THE KNIGHT AND DEATH ROW
20 ESTATES

21 In October 2006, the Wasserman Firm also filed proofs of claims against both the Knight
22 and Death Row estates in the amount of approximately \$60.4 million.⁵ According to the
23 Wasserman Firm's proofs of claim, the claims are based upon (a) the contingency fee it allegedly
24 earned when the Superior Court entered judgment against Knight and Death Row for \$107 million,
25 and (b) alleged claims against Knight relating to, among other things, payments made by Knight to

26
27 ⁵ A copy of the proof of claim filed in the Knight case is attached as Exhibit "4" to the
28 Request for Judicial Notice.

1 Lydia Harris that, it contends, were part of a scheme to defraud the Wasserman Firm of its rights
2 under its attorneys' fee lien.

3
4 G. SETTLEMENT BETWEEN THE KNIGHT TRUSTEE AND THE DRR TRUSTEE, ON
5 THE ONE HAND, AND LYDIA HARRIS, MICHAEL HARRIS, CONQUEST, AND
6 THE HARRIS TRUSTEE, ON THE OTHER HAND, OF THEIR RESPECTIVE CLAIMS

7 In August 2007, the Court ordered the parties to mediation. Since then, the parties have
8 engaged in numerous settlement discussions, many with mediator Mitchel R. Goldberg, United
9 States Bankruptcy Judge (now retired).

10 Subject to Bankruptcy Court approval in this case, the Death Row case, and the Lydia
11 Harris case, the Knight Trustee and the DRR Trustee have agreed to a resolution of their claims
12 against Lydia and Michael Harris, Conquest, and the Harris Trustee (collectively the "Harris
13 Parties"), and the Harris Parties' claims against the Knight and Death Row estates (collectively the
14 "Estates"). The terms of the parties' settlement are set forth in the Agreement and Mutual Release
15 (the "Agreement") attached as Exhibit "1" to the Declaration of Richard K. Diamond. Without
16 limiting the detail in that agreement,⁶ the terms of the proposed settlement are as follows:

17 1. The claims of Lydia and Michael Harris against the Estates (collectively referred to
18 hereinafter as the "Harris Claim") will be allowed against the Estates as (a) a general unsecured
19 claim in the amount of \$30 million, and (b) a subordinated claim entitled to the priority of claims
20 identified in § 726(a)(4) of the Code in the amount of \$15 million.

21 2. Distributions on account of the general unsecured portion of the Harris Claim will
22 be made in phases, to the extent of available funds:

23 a. with respect to the first \$10 million paid to the Estates' general unsecured
24 creditors, the general unsecured portion of the Harris Claim will share *pari passu* with all other
25

26 ⁶ The following paragraphs summarize some of the material terms of the Agreement. This
27 summary does not identify each and every material term of the Agreement, and is not intended to
28 substitute for the Settlement Agreement itself. If there is a conflict between the summary herein
and the terms of the Agreement, the terms of the Agreement control.

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1 general unsecured claims except that the total amount distributed on account of the Harris Claim
2 (a) will not exceed 50% of the total amount distributed, and (b) in any event, will not exceed \$3.5
3 million;

4 b. with respect to the next \$10 million paid to the Estates' general unsecured
5 creditors, the general unsecured portion of the Harris Claim will share *pari passu* with all other
6 outstanding general unsecured claims except that the total amount distributed on account of the
7 Harris Claim (a) will not exceed 50% of the total amount distributed, and (b) in any event, until all
8 other general unsecured claims have been paid in full (not including pre- or postpetition interest)
9 will not exceed \$2 million;

10 c. with respect to distributions to general unsecured claims in excess of \$20
11 million, the general unsecured portion of the Harris Claim will share *pari passu* with all other
12 outstanding general unsecured claims except that the total amount distributed on account of the
13 Harris Claim will not exceed 50% of the total amount distributed at this tier until other general
14 unsecured claims have been paid in full (exclusive of surplus interest); and

15 d. once all other allowed general unsecured claims have been paid in full (not
16 including surplus interest), the Harris Claim will receive 100% of further distributions until the
17 Harris Claim has been paid in full (exclusive of surplus interest).⁷

18 3. The subordinated portion of the Harris Claim will be paid pursuant to the priority
19 afforded by § 726(a)(4) of the Code.

20 4. Conquest, Lydia Harris and Michael Harris (collectively, "Conquest/Harris") will
21 inform the Wasserman Firm of the settlement. Unless the Wasserman Firm withdraws its proof of
22 claim, the Knight Trustee, DRR Trustee and/or Harris Trustee may object to the Wasserman Firm's
23 claim. If the Wasserman Firm's claim ultimately is allowed, Conquest/Harris will be responsible
24 for any distribution thereon. Conquest/Harris will indemnify the Estates against any claims by the
25 Wasserman Firm for which the Estates would otherwise be responsible. Any distribution from the
26

27 ⁷ If the trustees have negotiated similar arrangements with other claimants, the Harris Claim
28 will share *pari passu* with such similarly negotiated claims.

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1 Estates to the Wasserman Firm will be credited against the distributions due Conquest/Harris under
2 the Agreement.

3 5. Conquest/Harris will also be responsible for distributions made to any person or
4 entity whose claim is based upon, derivative of or measured by the Judgment. Conquest/Harris
5 will indemnify the Estates against any claims by such parties for which the Estates would otherwise
6 be responsible. Any distribution from the Estates to such parties will be credited against the
7 distributions due Conquest/Harris under the Agreement.

8 6. The Harris Parties will independently agree upon the manner in which distributions
9 from the Estates are allocated among the Harris Parties.

10 7. The Knight Trustee and the DRR Trustee will cause Adversary Proceeding No.
11 2:06-01660-VZ to be dismissed. Similarly, Lydia and Michael Harris will cause Adversary
12 Proceeding No. 2:06-01809-VZ to be dismissed.

13 8. The Knight Trustee and the DRR Trustee each release the Harris Parties from any
14 and all known and unknown claims. Similarly, the Harris Parties release the Knight Trustee, the
15 Knight estate, the DRR Trustee, and the Death Row estate from any and all known and unknown
16 claims.

17
18 II.

19 ARGUMENT

20 A. THE COURT IS AUTHORIZED TO APPROVE THE SETTLEMENT AGREEMENT

21 This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, and
22 Federal Rule of Bankruptcy Procedure 9019. Federal Rule of Bankruptcy Procedure 9019(a)
23 provides,

24 On motion by the trustee and after a hearing on notice to creditors,
25 the debtor . . . and to such other entities as the court may designate,
the court may approve a compromise or settlement.

26 The Supreme Court, in *Protective Committee for Independent Stockholders of TMT Trailer*
27 *Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968), held that a bankruptcy court, in considering
28 whether to approve a compromise, should inform itself regarding

1 all facts necessary for an intelligent and objective opinion of the
2 probabilities of ultimate success should the claim be litigated.
3 Further, the judge should form an educated estimate of the
4 complexity, expense, and likely duration of such litigation, the
5 possible difficulties of collecting on any judgment which might be
6 obtained, and all other factors relevant to a full and fair assessment of
7 the wisdom of the proposed compromise.

8 The Ninth Circuit has clarified the inquiry as follows:

9 In determining the fairness, reasonableness and adequacy of a
10 proposed settlement agreement, the court must consider: (a)
11 probability of success in the litigation; (b) the difficulties, if any, to
12 be encountered in the matter of collection; (c) the complexity of the
13 litigation involved, and the expense, inconvenience and delay
14 necessarily attending it; [and] (d) the paramount interest of the
15 creditors and a proper deference to their reasonable views in the
16 premises.

17 *In re A & C Properties*, 784 F.2d 1377, 1381 (9th Cir. 1986), *cert. denied*, 479 U.S. 854, 107 S. Ct.
18 189 (1986).

19 The trustee, as the party proposing the compromise, has the burden of persuading the Court
20 that the compromise is fair and equitable and should be approved. *Id.* Although "the creditors'
21 objections to a compromise must be afforded due deference, such objections are not controlling,
22 [citations], and while the court must preserve the rights of the creditors, it must also weigh certain
23 factors to determine whether the compromise is in the best interest of the bankrupt estate." *Id.* at
24 1382.

25 The bankruptcy court has wide latitude and discretion in evaluating a proposed compromise
26 because the judge is "uniquely situated to consider the equities and reasonableness." *United States*
27 *v. Alaska National Bank (In re Walsh Construction, Inc.)*, 669 F.2d 1325, 1328 (9th Cir. 1982).

28 The Ninth Circuit has further stated:

A compromise agreement allows the trustee and the creditor to avoid
the expenses and burdens associated with litigating "sharply
contested and dubious" claims. [Citation]. The bankruptcy court
need not conduct an exhaustive investigation into the validity of the
asserted claim. [Citation]. It is sufficient that, after apprising itself of
all facts necessary for an intelligent and objective opinion concerning
the claim's validity, the court determines that either (1) the claim has
a "substantial foundation" and is not "clearly invalid as a matter of
law," or (2) the outcome of the claim's litigation is "doubtful."

Id. at 1328.

1 The court is not "to decide the numerous questions of law and fact raised by [objectors] but
2 rather to canvass the issues and see whether the settlement '*falls below the lowest point in the*
3 *range of reasonableness.*'" *In re Carla Leather, Inc.*, 44 B.R. 457, 465 (Bankr. S.D.N.Y. 1984)
4 (*quoting In re W. T. Grant & Co.*, 699 F.2d 599, 608 (2d Cir. 1983) (emphasis added), *cert. denied*,
5 464 U.S. 822, 104 S. Ct. 89 (1983)), *aff'd*, 50 B.R. 764 (S.D.N.Y. 1985).

6
7 B. THE PROPOSED SETTLEMENT AGREEMENT IS REASONABLE AND IN THE
8 BEST INTERESTS OF THE KNIGHT ESTATE

9 The Knight Trustee believes that his proposed settlement with the Harris Parties is a fair
10 and reasonable settlement of the claims asserted by him against the Harris Parties, and the Harris
11 Parties' claims against the Knight estate. The probability of success of the Knight Trustee's claims
12 against the Harris Parties is highly uncertain, and litigation will be time consuming and complex.
13 There is no dispute that the Superior Court entered the Judgment as a terminating sanction against
14 Knight and Death Row in favor of Lydia Harris for the sum of \$107 million, and that the time to
15 appeal from the Judgment expired long ago. Knight asserts that the judgment is unenforceable
16 because Lydia Harris exerted undue influence over Knight's state court counsel, Dermot Givens,
17 including by threatening Mr. Givens and Mr. Givens' child, which caused Mr. Givens to fail to
18 seek appropriate relief from the Judgment or appeal from the Judgment.⁸ The Bankruptcy Court
19 has abstained from hearing claims relating to the validity of the Judgment, as well as claims
20 seeking to enforce an April 2005 written settlement agreement between Knight and Lydia Harris.⁹
21 Accordingly, in order to pursue his claims against the Harris Parties, the Knight Trustee would be

22
23 ⁸ The Knight Trustee has filed a legal malpractice complaint against Mr. Givens for actions
taken, or not taken, by him in connection with entry of the Judgment.

24 ⁹ Knight has alleged that he paid Lydia Harris \$1 million pursuant to a written settlement
25 agreement dated April 28, 2005. Lydia Harris alleges that she did not in fact sign that agreement.
26 Lydia Harris has testified under oath in a written declaration that Knight is using the signature page
that Lydia Harris signed for the purpose of attaching to the second draft settlement agreement, and
27 attached it to the first draft agreement which she claims to have previously rejected. Lydia Harris
alleges that the funds were actually paid pursuant to the second settlement agreement which called
28 for a payment of \$1 million and further obligations by Knight thereafter.

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1 required to litigate before the Superior Court and convince the Superior Court that the Judgment
2 should either be vacated or deemed satisfied. Such litigation would involve, among other things,
3 the application of judicial estoppel against the Judgment because Lydia Harris failed to disclose the
4 underlying claims in her personal bankruptcy case. The Superior Court would most likely be
5 required to weigh the testimony and credibility of Knight and Mr. Givens against Lydia Harris'
6 testimony and credibility. Even if the Knight Trustee were successful in setting aside the
7 Judgment, the Knight Trustee would then be required to litigate with the Harris Parties concerning
8 the validity of their claims that were asserted against Knight in the Superior Court. Such litigation
9 would require the Knight Trustee to engage in extensive discovery and pre-trial litigation, and
10 could result in the re-entry of judgment against Knight after a trial on the merits.

11 Even after the Superior Court litigation over claims from which the Bankruptcy Court has
12 abstained,¹⁰ the Knight Trustee would be required to continue litigating with the Harris Parties in
13 connection with the claims from which the Bankruptcy Court did not abstain, including but not
14 limited to the avoidance of transfers, the subordination of the \$45 million of economic damages as
15 relating to Lydia Harris' alleged shareholder interest, and the subordination of the \$60 million in
16 punitive damages as a penalty.¹¹ Such litigation would likely require more discovery and pre-trial
17 litigation, and the outcome of such litigation is uncertain.

18 The Knight Trustee believes that the paramount interest of creditors weighs in favor of
19 settlement. The Official Committee of Unsecured Creditors appointed in the Knight case was
20 heavily involved in the negotiation of the terms set forth in the Agreement, and has advised the
21 Knight Trustee that it supports approval of the Agreement as being in the best interests of the
22

23 ¹⁰ The claims with respect to which the Bankruptcy Court abstained were: (1) for
24 declaratory relief to determine the Judgment to be unenforceable; (2) to enforce the settlement that
25 Knight alleges to be the valid settlement agreed to by Lydia Harris; (3) to enforce a pre-litigation
26 settlement with Michael Harris from 1996; (4) for rescission of the settlement agreement that Lydia
Harris alleges to be the valid settlement agreed to by Knight; (5) for fraud and deceit in connection
with the 2005 settlement; and (6) alternatively, for negligent misrepresentation in connection with
the 2005 settlement.

27 ¹¹ These claims are fully described in the first amended complaint, attached as Exhibit "5"
28 to the Request for Judicial Notice.

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1 Knight estate and its creditors. Pursuant to the Agreement, both the Knight Trustee and the DRR
2 Trustee (collectively the "Trustees") will avoid the substantial legal fees and expenses that they
3 would otherwise incur in prosecuting their claims against the Harris Parties. The Agreement
4 provides for a substantial reduction of the Harris Parties' general unsecured claims against the
5 Knight and Death Row estates, from over \$107 million to \$30 million. At the same time, the
6 Agreement contains provisions to ensure that other general unsecured creditors receive at least half
7 of the total distributions made in the first two phases of distributions made to general unsecured
8 creditors. The Agreement also effectively provides for the reimbursement by the Harris Parties to
9 the Knight Trustee and the DRR Trustee for any distributions made to the Wasserman Firm and
10 any other claims that are based upon, derivative of, or measured by the Judgment. Therefore,
11 through the Agreement, the Knight Trustee is further reducing general unsecured claims against the
12 Knight estate by providing for payment by the Harris Parties to such third party claimants (or the
13 reduction of amounts to be distributed to the Harris Parties). In view of the expense of litigating
14 with the Harris Parties, the risk of loss, and the multiple benefits to be received by the Knight estate
15 under the Agreement, the Knight Trustee believes that the proposed settlement with the Harris
16 Parties is in the best interests of the estate and its creditors.

17
18 III.

19 CONCLUSION

20 For the foregoing reasons, the Knight Trustee requests that the Court approve the Knight
21 Trustee's proposed settlement with the Harris Parties. The Knight Trustee also requests such
22 further relief as the Court deems just and proper.

23
24 Dated: May 2, 2008

DANNING, GILL, DIAMOND & KOLLITZ, LLP

25
26
27 By: 

28 John N. Tedford, IV
Attorneys for Richard K. Diamond,
Chapter 11 Trustee

DECLARATION OF RICHARD K. DIAMOND

I, Richard K. Diamond, declare and state as follows:

1. I am the duly appointed Chapter 11 trustee for the estate of Marion Knight, Jr. ("Knight"). I have personal knowledge of the facts in this declaration and, if called as a witness, could testify competently to these facts.

2. Death Row Records, Inc. ("Death Row") is a rap and hip-hop record label founded by, among others, Knight. I have been advised that, prior to the Petition Date, Death Row ceased business operations.

3. Based upon the investigation which my counsel and I have conducted in this case, and representations made by Lydia and Michael Harris in connection with my proposed settlement with them, I am informed and believe that the following facts are true and correct:

a. In February 2002, Lydia Harris filed a complaint against Knight and Death Row in the Los Angeles Superior Court. In her lawsuit, Lydia Harris alleged, among other things, that Knight and Death Row had defrauded her of her prospective economic benefits of her interest in Death Row. Lydia Harris was represented in the action by the law firm of Wasserman, Comden & Casselman, LLP (the "Wasserman Firm").

b. On or about March 9, 2005, the Superior Court entered judgment (the "Judgment") against Knight and Death Row in the principal amount of \$107 million; \$45 million of economic damages; \$2 million of non-economic damages; and \$60 million of punitive damages.

c. Lydia Harris and Michael Harris were at one time married, but are now divorced. Pursuant to an order of the Superior Court in their divorce proceeding, Lydia Harris' claims arising out of the Judgment constitute community property.

d. The manner in which the claims arising out of the Judgment are to be allocated as between Lydia and Michael Harris is disputed, and a trial on such issue is set before the Superior Court.

4. Prior to my appointment, Knight and Death Row filed a complaint against Lydia and Michael Harris seeking, among other things, disallowance and/or subordination of their alleged

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1 claims against the Knight estate. After I was appointed, I substituted into the action, in my capacity
2 as Chapter 11 trustee for the Knight estate, as a plaintiff in place of Knight. In or about August
3 2007, the Court ordered the parties to mediation. Since then, the parties have engaged in numerous
4 settlement discussions, many with the mediator, the Honorable Mitchel R. Goldberg (now retired).

5 5. Subject to Bankruptcy Court approval in this case, the Death Row case, and Lydia
6 Harris' personal bankruptcy case, the DRR Trustee and I have agreed to a resolution of our claims
7 against Lydia Harris, Michael Harris, Conquest Media Group, LLC ("Conquest"), and Helen
8 Frazer, the Chapter 7 trustee for Lydia Harris' bankruptcy estate (collectively the "Harris Parties"),
9 as well as the Harris Parties' claims against the Knight and Death Row estates. The terms of our
10 proposed settlement are set forth in the Agreement and Mutual Release (the "Agreement") attached
11 as Exhibit "1" hereto.

12 6. I believe that the proposed Agreement is a fair and reasonable settlement of the
13 claims asserted by me against the Harris Parties, and the Harris Parties' claims against the Knight
14 estate. I believe that the probability of success of my claims against the Harris Parties is highly
15 uncertain, and litigation with the Harris Parties will be time consuming and complex. The time to
16 appeal from the Judgment expired long ago and the Bankruptcy Court has abstained from hearing
17 claims relating to the validity of the Judgment, as well as claims seeking to enforce an April 2005
18 written settlement agreement between Knight and Lydia Harris. I believe that in order to pursue
19 my claims against the Harris Parties, I will be required to litigate before the Superior Court and
20 convince the Superior Court that the Judgment should either be vacated or deemed satisfied. Such
21 litigation would involve, among other things, the application of judicial estoppel against the
22 Judgment because Lydia Harris failed to disclose the underlying claims in her personal bankruptcy
23 case. I believe that the Superior Court would most likely be required to weigh the testimony and
24 credibility of Knight and Mr. Givens against Lydia Harris' testimony and credibility. Even if I
25 succeed in setting aside the Judgment, I will be required to litigate with the Harris Parties
26 concerning the validity of their claims that were asserted against Knight in the Superior Court. I
27 believe that such litigation would require me to engage in extensive discovery and pre-trial
28 litigation, and could result in the re-entry of judgment against Knight after a trial on the merits.

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1 7. I also believe that after the Superior Court litigation over claims from which the
2 Bankruptcy Court has abstained, I will be required to continue litigating with the Harris Parties in
3 connection with the claims from which the Bankruptcy Court did not abstain, including but not
4 limited to the avoidance of transfers, the subordination of the \$45 million of economic damages as
5 relating to Lydia Harris' alleged shareholder interest, and the subordination of the \$60 million in
6 punitive damages as a penalty. I believe that such litigation would likely require more discovery
7 and pre-trial litigation, and the outcome of such litigation is uncertain.

8 8. I further believe that the paramount interest of creditors weighs strongly in favor of
9 settlement. Under the Agreement, the DRR Trustee and I will avoid, among other things, the
10 substantial legal fees and expenses that we will otherwise incur in prosecuting our claims against
11 the Harris Parties and defending against claims asserted by the Harris Parties against the Knight
12 and Death Row estates. The Harris Parties' general unsecured claims against the Knight and Death
13 Row estates will be reduced substantially, from over \$107 million to \$30 million. At the same
14 time, provisions will be put into place to ensure that other general unsecured creditors receive at
15 least half of the total distributions made in the first two phases of distributions made to general
16 unsecured creditors. Provisions beneficial to the Knight estate also are included with regard to
17 distributions to be made to the Wasserman Firm and other third party claimants whose claims are
18 based upon, derivative of, or measured by the Judgment. In view of the expense of litigating with
19 the Harris Parties, the risk of loss, and the multiple benefits to be received by the Knight estate and
20 the Death Row estate under the Agreement, I believe that the proposed settlement with the Harris
21 Parties is in the best interests of the estate and its creditors.

22
23 I declare under penalty of perjury under the laws of the United States of America that the
24 foregoing is true and correct.

25 Executed on May 2, 2008, at Los Angeles, California.

26
27 
28 RICHARD K. DIAMOND

REQUEST FOR JUDICIAL NOTICE

Richard K. Diamond, the Chapter 11 trustee (the "Knight Trustee") for the estate of Marion Knight, Jr. ("Knight"), requests that the Court take judicial notice of the following facts:

1. On or about May 17, 1996, Lydia Harris filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code (the "Code"). Helen Frazer (the "Harris Trustee") was appointed as the Chapter 7 trustee for Lydia Harris' estate.

2. On or about December 15, 1999, Lydia Harris' bankruptcy case was closed.

3. On or about April 4, 2006 (the "Petition Date"), Knight filed a voluntary petition for relief under Chapter 11 of the Code.

4. On the Petition Date, Death Row Records, Inc. ("Death Row") also filed a voluntary petition for relief under Chapter 11 of the Code.

5. On or about May 4, 2006, Michael Harris filed a proof of claim with the Court in the Knight case, which was assigned claim number 3 by the Clerk of the Court. A true and correct copy of Michael Harris' proof of claim filed in the Knight case is attached as Exhibit "2" hereto.

6. In June 2006, Knight and Death Row (acting as debtors-in-possession of their respective estates) filed a complaint with the Bankruptcy Court against Lydia Harris and Michael Harris. Knight and Death Row alleged, among other things, that in May 2005, Knight and Death Row paid \$1 million to Lydia Harris with the understanding that such payment would constitute a settlement of the Judgment. They further alleged that Lydia Harris now contends that there was no settlement. Knight and Death requested, among other things, that the Court declare the Judgment invalid and unenforceable, that the Bankruptcy Court declare that the parties entered into a valid and binding settlement in April 2005 pursuant to which the \$1 million was paid to Lydia Harris, a judgment for damages allegedly caused by fraud and misrepresentations by the defendants, avoidance of the \$1 million transferred to Lydia Harris, and subordination of Lydia Harris' and Michael Harris' claims.

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1 7. On or about July 3, 2006, Lydia and Michael Harris filed a complaint against
2 Knight, seeking a determination that the debt owed by Knight arising out of the Judgment is non-
3 dischargeable under § 523(a) of the Code.

4 8. On or about July 11, 2006, the Court entered its order directing the appointment of a
5 Chapter 11 trustee in the Death Row case.

6 9. R. Todd Neilson (the "DRR Trustee") was appointed as the Chapter 11 trustee for
7 the Death Row estate and continues to act in such capacity for the benefit of the Death Row estate
8 and its creditors.

9 10. On or about October 19, 2006, Lydia Harris filed a proof of claim with the Court in
10 the Knight case, which was assigned claim number 16 by the Clerk of the Court. A true and
11 correct copy of Lydia Harris' proof of claim filed in the Knight case is attached as Exhibit "3"
12 hereto.

13 11. On or about October 31, 2006, the law firm of Wasserman, Comden & Casselman,
14 LLP (the "Wasserman Firm") filed a proof of claim with the Court in the Knight case, which was
15 assigned claim number 34 by the Clerk of the Court. A true and correct copy of the Wasserman
16 Firm's proof of claim filed in the Knight case is attached as Exhibit "4" hereto.

17 12. On or about November 20, 2006, the Court entered an order abstaining from hearing
18 certain claims for relief asserted in Knight's and Death Row's complaint against Lydia and Michael
19 Harris. Pursuant to the Court's ruling, on November 1, 2006, Knight and Death Row filed a first
20 amended complaint, which is currently the operative complaint in the adversary proceeding. A true
21 and correct copy of the first amended complaint, excluding exhibits thereto, is attached as Exhibit
22 "5" hereto.

23 13. On or about November 20, 2006, the Court authorized the substitution of the DRR
24 Trustee as a plaintiff, in place of Death Row, in the adversary proceeding against Lydia and
25 Michael Harris.

26 14. On or about March 7, 2007, the Court entered its order directing the appointment of
27 a Chapter 11 trustee in the Knight case.

28 ///

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15. On or about March 9, 2007, the Court entered its order approving the appointment of Richard K. Diamond as the Chapter 11 trustee. The Knight Trustee accepted appointment as the Chapter 11 trustee for the Knight estate and continues to act in such capacity for the benefit of the estate and its creditors.

16. In March 2007, Conquest Media Group, LLC ("Conquest") filed a *Request for Issuance of Notice of Transfer of Claim Pursuant to F.R.B.P. 3001(e)* with respect to both Lydia Harris' and Michael Harris' claims. The Court issued such a notice on or about April 2, 2007.

17. On or about April 27, 2007, Conquest filed a motion seeking to substitute into the adversary proceeding originally filed by Knight and Death Row against Lydia and Michael Harris in June 2006. By order entered on or about June 7, 2007, the Bankruptcy Court denied Conquest's motion.

18. On or about August 23, 2007, pursuant to a stipulation between Lydia Harris and the Harris Trustee, the Court in Lydia Harris' case reopened the bankruptcy case and re-appointed the Harris Trustee.

19. On or about May 31, 2007, the Court authorized the substitution of the Knight Trustee as a plaintiff, in place of Knight, in the adversary proceeding against Lydia and Michael Harris.

Dated: May 2, 2008

DANNING, GILL, DIAMOND & KOLLITZ, LLP

By: 

John N. Tedford, IV
Attorneys for Richard K. Diamond,
Chapter 11 Trustee

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EXHIBIT 1

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AGREEMENT AND MUTUAL RELEASE

This Agreement and Mutual Release (the "AGREEMENT") is made effective as of February 6, 2008, by and between Richard K. Diamond, as Chapter 11 Trustee for the bankruptcy estate of Marion "Suge" Knight (the "KNIGHT TRUSTEE" and the "KNIGHT ESTATE") and R. Todd Neilson, as Chapter 11 Trustee for the bankruptcy estate of Death Row Records, Inc. (the "DEATH ROW TRUSTEE" and the "DEATH ROW ESTATE", respectively) (collectively the "TRUSTEES" and the "ESTATES", respectively), on the one hand; and LYDIA Harris ("LYDIA") and Michael Ray Harris ("MICHAEL") (collectively "M & L HARRIS"), Conquest Media Group, LLC ("CONQUEST") and any and all of their assignees or successors (CONQUEST and M & L HARRIS collectively are referred to hereinafter collectively as "CONQUEST/HARRIS") and Helen R. Frazer as Chapter 7 trustee for LYDIA (the "HARRIS CHAPTER 7 TRUSTEE"), on the other hand. The parties are sometimes hereafter referred to collectively as the "PARTIES" or each individually as a "PARTY".

RECITALS

This AGREEMENT is entered into with reference to the following facts:

A. On or about April 4, 2006, Marion "Suge" Knight, Jr. ("KNIGHT") filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the "BANKRUPTCY CODE"), which case is currently pending before the United States Bankruptcy Court for the Central District of California (the "BANKRUPTCY COURT"), Los Angeles Division, bearing case number 02:bk:06-11187-VZ (the "KNIGHT CASE"). Richard K. Diamond serves as the Chapter 11 Trustee for the estate of the KNIGHT CASE.

B. On or about April 4, 2006, Death Row Records, Inc. ("DEATH ROW") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, which case is currently pending before the Los Angeles Division of the BANKRUPTCY COURT, bearing case number 02:bk:06-11205-VZ (the "DEATH ROW CASE"). R. Todd Neilson serves as the Chapter 11 Trustee for the estate of the DEATH ROW CASE.

C. On or about February 26, 2002, LYDIA filed a complaint before the California Superior Court in Los Angeles against DEATH ROW and KNIGHT, commencing case no. BC 268857 (the "LAWSUIT"). In the LAWSUIT, LYDIA contended, among other things, that she owned 50% of an entity known as Godfather Entertainment, the parent company to Death Row Records, a company different from DEATH ROW, that DEATH ROW and KNIGHT had defrauded her of the prospective economic benefits of her interest in DEATH ROW, and that DEATH ROW and KNIGHT thereafter slandered her (collectively the "KNIGHT/DRR CLAIMS"). The Firm of Wasserman, Comden & Castleman, LLP (the "WASSERMAN FIRM") at all relevant times through approximately April or May 2005 represented LYDIA in the LAWSUIT.

D. On or about March 9, 2005, the Superior Court entered a \$107,000,000 judgment as a terminating sanction jointly against both DEATH ROW and KNIGHT (the "JUDGMENT"). The JUDGMENT consists of compensatory damages of \$45 million of economic damages, \$2 million of non-economic damages and \$60 million of punitive damages. No appeal was taken from the JUDGMENT.

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E. On or about May 17, 1996 ("LYDIA'S PETITION DATE"), LYDIA filed a voluntary petition for relief under Chapter 7 of the BANKRUPTCY CODE before the San Fernando Valley Division of the BANKRUPTCY COURT, which was assigned case no. 01:bk:96-15521-AG (the "HARRIS CHAPTER 7 CASE" and the "HARRIS ESTATE").

F. The HARRIS CHAPTER 7 CASE was filed approximately 6 years prior to the filing of the LAWSUIT; and LYDIA did not list the KNIGHT/DRR CLAIMS on her bankruptcy schedules. The HARRIS CHAPTER 7 TRUSTEE later discovered that the HARRIS CHAPTER 7 CASE may have rights in and to the JUDGMENT at which time, the HARRIS CHAPTER 7 TRUSTEE was reappointed as trustee of the HARRIS CHAPTER 7 CASE, which was thereafter reassigned to Bankruptcy Judge Geraldine Mund in July 2007.

G. M & L HARRIS are divorced, however, the family law court in Monterey has jurisdiction over the M & L HARRIS divorce case with respect to property issues still in dispute. The family law court entered a judgment in the family law matter declaring the JUDGMENT to be community property; however the issue of the allocation of the JUDGMENT between M & L HARRIS has not yet been adjudicated.

H. On or about October 19, 2006, LYDIA filed a proof of claim in the DEATH ROW CASE in the sum of \$107 million based on the JUDGMENT, which was assigned claim no. 23 ("LYDIA'S DEATH ROW POC"). On or about October 19, 2006, LYDIA filed a proof of claim in the KNIGHT CASE in the sum of \$107 million, which was assigned claim no. 16 ("LYDIA'S KNIGHT POC"). LYDIA'S DEATH ROW POC and LYDIA'S KNIGHT POC shall be referred to hereinafter collectively as "LYDIA'S POCS."

I. On or about May 4, 2006, MICHAEL filed a proof of claim in the DEATH ROW CASE in the sum of \$117,318,631.60 based on the JUDGMENT, which was assigned claim no. 3 (the "MICHAEL'S DEATH ROW POC"). On or about May 4, 2006, MICHAEL filed a proof of claim in the KNIGHT CASE in the sum of \$117,318,631.60, which was assigned claim no. 3 ("MICHAEL'S KNIGHT POC"). MICHAEL'S DEATH ROW POC and MICHAEL'S KNIGHT POC shall be referred to hereinafter collectively as "MICHAEL'S POCS." LYDIA'S POCS and MICHAEL'S POCS shall be referred to hereinafter collectively as the "HARRIS POCS."

J. On or about October 31, 2006, the WASSERMAN FIRM filed a proof of claim against the DEATH ROW ESTATE in the sum of \$60,418,315.00, which was assigned claim no. 38 (the "WASSERMAN DEATH ROW POC"). On or about October 31, 2006, the WASSERMAN FIRM filed a proof of claim against the KNIGHT ESTATE in the sum of \$60,418,315.00, which was assigned claim no. 34 (the "WASSERMAN KNIGHT POC"). The WASSERMAN DEATH ROW POC and the WASSERMAN KNIGHT POC shall be referred to hereinafter collectively as the "WASSERMAN POCS."

K. On or about June 6, 2006, KNIGHT as Debtor-In-Possession and DEATH ROW as Debtor-in-Possession jointly filed a complaint against M & L HARRIS before the BANKRUPTCY COURT in the KNIGHT CASE, commencing adversary proceeding no. 02:bk:06-AP-01660-VZ (the "ADVERSARY PROCEEDING"). In the ADVERSARY PROCEEDING, KNIGHT and DEATH ROW sought to, among other things: (1) declare that the JUDGMENT had been compromised and fully resolved by one of several alternative

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settlements; (2) disallow or reduce the HARRIS POCS under various theories, including judicial estoppel; (3) subordinate the compensatory damage component of the JUDGMENT relating to LYDIA's ownership in DEATH ROW pursuant to section 506(c) of the BANKRUPTCY CODE; (4) subordinate the punitive damages component of the JUDGMENT as a penalty pursuant to section 726(a)(4) of the BANKRUPTCY CODE; (5) avoid and recover a \$1 million payment made under the JUDGMENT as a preference pursuant to section 547 of the BANKRUPTCY CODE and as a fraudulent conveyance pursuant to sections 544 and 548 of the BANKRUPTCY CODE; and (6) disallow the HARRIS POCS pursuant to section 502(d) of the BANKRUPTCY CODE. M & L HARRIS filed a motion to dismiss the ADVERSARY PROCEEDING which resulted in the BANKRUPTCY COURT abstaining from ruling on certain state law claims for relief, granting dismissal with leave to amend other claims, and staying all claims pending before the BANKRUPTCY COURT.

L. On or about July 3, 2006, M & L HARRIS filed a complaint against KNIGHT commencing adversary proceeding no. 02-bk:06-AP-01809-VZ, seeking to determine that the JUDGMENT represents a non-dischargeable debt under section 523 of the BANKRUPTCY CODE (the "HARRIS 523 PROCEEDING"). Thereafter, the BANKRUPTCY COURT stayed the HARRIS 523 PROCEEDING to track the ADVERSARY PROCEEDING.

M. M & L HARRIS state that they assigned the JUDGMENT to CONQUEST, and M & L HARRIS each filed notices of the assignment of the HARRIS POCS in both of the Cases to CONQUEST and filed Notice of the Assignment of the JUDGMENT in the Los Angeles Superior Court case.

N. The TRUSTEES substituted into the Adversary Proceeding as co-plaintiffs.

O. In or about August 2007, the BANKRUPTCY COURT ordered the PARTIES to participate in mediation, and the PARTIES since then have participated in numerous mediation sessions before United States Bankruptcy Judge Mitchel R. Goldberg.

P. In order to eliminate the need for further litigation costs, the PARTIES stipulated and stated on the record on February 6, 2008 before the Honorable Mitchell R. Goldberg terms and conditions of settlement in order to settle completely and forever all disputes, claims, actions, causes of action, demands, damages and liabilities between them. The PARTIES set forth in this AGREEMENT the formal terms of their settlement.

Q. NOW THEREFORE, in consideration of the promises, mutual obligations and undertakings set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the PARTIES agree as follows:

1. Recitals: The Recitals are intended to be and are a part of the AGREEMENT and are incorporated herein.

2. Settlement Effective Date and Approval Process:

a. After execution of this AGREEMENT, the TRUSTEES and the HARRIS CHAPTER 7 TRUSTEE shall each file motions seeking entry of orders in their respective cases approving the AGREEMENT (collectively the "Approval Orders"). Each of the

PARTIES shall fully and actively support the respective motions for entry of the Approval Orders.

b. The effective date of this AGREEMENT (the "Effective Date") shall mean the first day that is not less than eleven calendar days following the date of entry of the last of the Approval Orders to be entered that is not a Saturday, Sunday or legal holiday as defined in Federal Rule of Bankruptcy Procedure 9006 (a "Business Day"). If an appeal is taken and a stay issued, the Effective Date shall be the first Business day following the date on which the last of the Approval Orders to be entered becomes final, i.e., the date on which no further appeals or other review of the Approval Orders can be taken. In the event that the TRUSTEES or the HARRIS CHAPTER 7 TRUSTEE are unable to obtain the entry of Approval Orders in their respective cases, (a) the AGREEMENT shall automatically be deemed void *ab initio*, and (b) all rights, claims and defenses shall be preserved as they existed on February 6, 2008, and (c) the PARTIES reserve and retain all rights, claims and/or defenses each of them might have had prior to entry into this AGREEMENT.

3. Terms of Settlement:

a. HARRIS Allowed Claim. The HARRIS POCS will be allowed in both the KNIGHT CASE and the DEATH ROW CASE as general unsecured claims in the amount of \$30 million (collectively the "HARRIS ALLOWED CLAIM") and subordinated claims in the amount of \$15 million at the priority level provided in section 726(a)(4) of the BANKRUPTCY CODE (collectively the "HARRIS SUBORDINATED CLAIM"). Any claim of CONQUEST/HARRIS in excess of the HARRIS ALLOWED CLAIM and the HARRIS SUBORDINATED CLAIM is disallowed in its entirety.

b. Limitation on Distributions on Account of HARRIS ALLOWED CLAIM. For the purpose of this settlement, references to "distributions" are to the total distributions from both the DEATH ROW ESTATE and the KNIGHT ESTATE, whether or not the Cases later are substantively consolidated. If the Cases are not substantively consolidated, the allocation of distributions from the ESTATES on account of the HARRIS ALLOWED CLAIM, as provided herein, will be coordinated to assure that CONQUEST/HARRIS receives the same economic value as contemplated herein.

i. The HARRIS ALLOWED CLAIM (Phase 1) will share pari passu with all other allowed general unsecured claims, to the extent of the first \$10 million of distributions to holders of all general unsecured claims ("PHASE 1 UNSECURED CLAIM DISTRIBUTIONS"), provided, however, that in no event shall distributions on account of the HARRIS ALLOWED CLAIM (Phase 1) exceed 50% of PHASE 1 UNSECURED CLAIM DISTRIBUTIONS; and provided, further, that notwithstanding anything to the contrary contained herein, distributions on account of the HARRIS ALLOWED CLAIM (Phase 1) will not exceed \$3.5 million.

ii. To the extent of distributions to general unsecured claims in excess of \$10 million up to \$20 million ("PHASE 2 UNSECURED CLAIM DISTRIBUTIONS"), the HARRIS ALLOWED CLAIM (Phase 2) shall share pari passu with all other allowed general unsecured claims (reduced, in each case, by the amount of distributions received on account of PHASE 1 UNSECURED CLAIMS DISTRIBUTIONS); provided,

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however, that in no event shall distributions on account of the HARRIS ALLOWED CLAIM (Phase 2) exceed 50% of PHASE 2 UNSECURED CLAIM DISTRIBUTIONS, and provided further, that, notwithstanding anything to the contrary contained herein, until all other allowed general unsecured claims have been paid in full, not including surplus interest, the distribution on account of the HARRIS ALLOWED CLAIM (Phase 2) will not exceed \$2 million in addition to the distribution applicable to the HARRIS ALLOWED CLAIM (Phase 1).

iii. To the extent of distributions to general unsecured claims in excess of \$20 million ("Phase 3 Unsecured Claim Distributions"), the HARRIS ALLOWED CLAIM (Phase 3) shall share distributions pari passu with all other allowed general unsecured claims (reduced, in each case, by the amount of distributions received on account of PHASE 1 UNSECURED CLAIM DISTRIBUTIONS and PHASE 2 UNSECURED CLAIM DISTRIBUTIONS), provided, however, that in no event shall distributions on account of the HARRIS ALLOWED CLAIM (Phase 3) exceed 50% the Phase 3 Unsecured Claim Distributions. When all other allowed general unsecured claims have been paid in full, not including pre-petition or post-petition interest, the HARRIS ALLOWED CLAIM (Phase 3) shall receive 100% (or shall share pari passu in the event of other similarly negotiated claims) of the remaining Phase 3 Unsecured Claim Distributions until the HARRIS ALLOWED CLAIM are paid in full (exclusive of surplus interest).

iv. The HARRIS SUBORDINATED CLAIM shall be paid pursuant to the priority afforded by § 726(a)(4) of the BANKRUPTCY CODE.

c. Wasserman POCS. CONQUEST/HARRIS will have responsibility for informing the WASSERMAN FIRM of the settlement. Unless the WASSERMAN FIRM consents to a distribution agreement with CONQUEST/HARRIS and withdraws the Wasserman POCS, CONQUEST/HARRIS, the TRUSTEES and/or the HARRIS CHAPTER 7 TRUSTEE may file an objection to the Wasserman POCS. The Wasserman POCS and any other claim filed by the WASSERMAN FIRM against either of the ESTATES shall either be disallowed in their entirety or, if the Court enters an order allowing the Wasserman POCS, any distribution thereon shall be the responsibility of CONQUEST/HARRIS, and CONQUEST/HARRIS agrees to indemnify the ESTATES and the TRUSTEES against any claims by the WASSERMAN FIRM for which the ESTATES would otherwise be responsible upon entry of a Court order to that effect. Any distribution from the ESTATES due the WASSERMAN FIRM shall be credited against the distributions due CONQUEST/HARRIS pursuant to this AGREEMENT.

d. Other Related Proofs of Claim. CONQUEST/HARRIS will have responsibility for any amounts due Mark Friedman and any other person or entity whose claim is based upon, derivative of or measured by the JUDGMENT (including without limitation current and former counsel for M & L HARRIS and CONQUEST and any purported assignment of the JUDGMENT) (collectively "Friedman") which shall be payable, if at all, from their respective shares of the proceeds of the claims and JUDGMENT. CONQUEST/HARRIS agrees to indemnify the ESTATES and the TRUSTEES against any claims by any such party for which the ESTATES would otherwise be responsible upon entry of a Court order to that effect. Any distributions from the ESTATES due Friedman shall be credited against the amounts due CONQUEST/HARRIS pursuant to this AGREEMENT.

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e. Avoidance of Liens. If there are any judgment or other liens on property of either or both of the ESTATES in favor of CONQUEST/HARRIS, the HARRIS CHAPTER 7 TRUSTEE, Friedman or the WASSERMAN FIRM (or any of their successors or assignees), such liens are deemed avoided. CONQUEST/HARRIS and the HARRIS CHAPTER 7 TRUSTEE agree that they will not, sell, transfer, assign or encumber, in whole or in part, the HARRIS ALLOWED CLAIM or the HARRIS SUBORDINATED CLAIM unless agreed upon in writing by all three of them and the TRUSTEES, or by order of the Court.

f. Rights of HARRIS CHAPTER 7 TRUSTEE. The HARRIS CHAPTER 7 TRUSTEE will promptly seek approval of the settlement as set forth herein by the BANKRUPTCY COURT in the HARRIS CHAPTER 7 CASE. The HARRIS CHAPTER 7 TRUSTEE will receive such portion of the distribution on account of the HARRIS ALLOWED CLAIM (and the HARRIS SUBORDINATED CLAIM) as set forth above as shall be independently agreed by the HARRIS CHAPTER 7 TRUSTEE and CONQUEST/HARRIS. The Harris Chapter 7 Estate will have no independent claim in either of the Cases, although it is acknowledged that the HARRIS CHAPTER 7 TRUSTEE shall remain a party in interest in both cases.

g. Dismissal of 523 Claims against KNIGHT. Within 15-business day after the Effective Date, M & L HARRIS agree to dismiss with prejudice the HARRIS 523 PROCEEDING.

h. No Credit Bidding for HARRIS ALLOWED CLAIM. Neither the HARRIS ALLOWED CLAIM nor the HARRIS SUBORDINATED CLAIM may be used by CONQUEST/HARRIS as part of the consideration for any bid for or acquisition of any of the assets of either or both of the ESTATES.

4. Dismissal of the Adversary Proceeding. Within 15 business days after the Effective Date, the ADVERSARY PROCEEDING will be dismissed with prejudice by the parties thereto, with said parties to bear their own attorneys' fees and costs.

5. Right to Object to Claims. CONQUEST/HARRIS, or their successors or assignees, shall have the right to object to other claims and oppose any proposed settlement of other proofs of claims. CONQUEST/HARRIS (including whoever among M & L HARRIS, CONQUEST, any successor or assignee is then the holder of the HARRIS POCS) shall vote affirmatively for any plan of reorganization or plan of liquidation that provides for the treatment of the HARRIS ALLOWED CLAIM and the HARRIS SUBORDINATED CLAIM as provided in this AGREEMENT; provided, however that M & L HARRIS may vote against any plan of reorganization under which pre-petition holders of equity in the DEATH ROW CASE or the KNIGHT CASE retain or receive any interest in either Estate on account of such pre-petition equity before the HARRIS ALLOWED CLAIM and the HARRIS SUBORDINATED CLAIM have been paid in full. For purposes of this paragraph, the retention by KNIGHT or DEATH ROW of the following shall not relieve M & L HARRIS of their obligation to vote to accept the plans: (a) exempt property; (b) that portion of the post-petition income described under that certain Order (1) on Motion of Child Support Services Department Interstate Division to Dismiss Debtor's Chapter 11 Case; and (2) Approving Settlement Stated on Record entered in the KNIGHT CASE on or about November 28, 2007; (c) property abandoned by either of the

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TRUSTEES; (d) claims sold by the KNIGHT TRUSTEE or the DEATH ROW TRUSTEE on or before April 4, 2008 with Court approval; and/or (e) the proceeds of any of the above.

6. Representations. CONQUEST/HARRIS represent and warrant that:

a. Subject to paragraph 8 below, CONQUEST holds all right, title and interest in the HARRIS POCS and the JUDGMENT subject to the Assignment and Assumption Agreement between CONQUEST and LYDIA dated March 13, 2007, and the Assignment and Assumption Agreement between CONQUEST and MICHAEL dated March 13, 2007, and the agreement between CONQUEST, LYDIA and MICHAEL entered on February 5, 2008 which, includes, among other things a reservation of rights between MICHAEL, LYDIA and CONQUEST.

b. each of the CONQUEST/HARRIS parties has full authority to enter into this AGREEMENT;

c. there are no liens or claims against the HARRIS POCS or the JUDGMENT, except for those held by the WASSERMAN FIRM, Mark Friedman, and current and prior counsel for M & L HARRIS and CONQUEST, all of which will be deemed satisfied as against both of the ESTATES under the terms of this AGREEMENT; and

d. it is not necessary for M & L HARRIS to obtain approval of this AGREEMENT from the Monterey County Superior Court in the M & L HARRIS marital dissolution proceeding bearing case no. DR 43369 (the "MARITAL DISSOLUTION ACTION").

7. Signatures. The signatures of all PARTIES to this AGREEMENT, including the signatures of M & L HARRIS, shall be notarized.

8. Future Assignments.

a. Notwithstanding any provisions in any claim assignment agreements between M & L HARRIS and CONQUEST, in the event of any reversion of the HARRIS POCS and/or the JUDGMENT from CONQUEST (or its successor or assignee) to M & L HARRIS or either of them, M & L HARRIS will be deemed to be successors to CONQUEST and will be bound in the same manner as CONQUEST pursuant to the terms of this AGREEMENT.

b. In the event that the court in the MARITAL DISSOLUTION ACTION has any jurisdiction to determine the allocation between M & L HARRIS of any distributions on account of the HARRIS POCS from the ESTATES pursuant to this AGREEMENT, M & L HARRIS agree that M & L HARRIS shall have sole responsibility to obtain approval of that allocation, and that the TRUSTEES and the ESTATES shall not have any obligations in that regard. M & L HARRIS further agree that this AGREEMENT is fully enforceable and binding regardless of any possible requirement that said court in the marital

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dissolution action allocate said distributions or otherwise approve this AGREEMENT in any manner whatsoever.

9. Releases:

a. The KNIGHT TRUSTEE's Release. In consideration of the terms and provisions of and subject to this AGREEMENT, the sufficiency of which is acknowledged by the execution of this AGREEMENT, as of the Effective Date, the KNIGHT TRUSTEE, on behalf of the KNIGHT ESTATE, does hereby fully and forever relieve, release, and discharge CONQUEST/HARRIS, the HARRIS ESTATE, and the HARRIS CHAPTER 7 TRUSTEE, and any and all representatives thereof, of any and all debts, liabilities, demands, obligations, assertions, contentions, arbitrations, promises, acts, contracts, costs, expenses, attorneys' fees, claims, damages, actions, causes of actions, claims for relief, and/or lawsuits, in law or in equity that were made or could have been made in or in response to the Adversary Proceeding, from the beginning of time through the Effective Date of this AGREEMENT, known or unknown, suspected or unsuspected, fixed or contingent.

b. The DEATH ROW TRUSTEE's Release. In consideration of the terms and provisions of and subject to this AGREEMENT, the sufficiency of which is acknowledged by the execution of this AGREEMENT, as of the Effective Date, the DEATH ROW TRUSTEE, on behalf of the DEATH ROW ESTATE, does hereby fully and forever relieve, release, and discharge CONQUEST/HARRIS, the HARRIS ESTATE and the HARRIS CHAPTER 7 TRUSTEE, and any and all representatives thereof, of any and all debts, liabilities, demands, obligations, assertions, contentions, arbitrations, promises, acts, contracts, costs, expenses, attorneys' fees, claims, damages, actions, causes of actions, claims for relief, and/or lawsuits, in law or in equity that were made or could have been made in or in response to the Adversary Proceeding, from the beginning of time through the Effective Date of this AGREEMENT, known or unknown, suspected or unsuspected, fixed or contingent. The release hereby granted is effective only as of the Effective Date, and expressly subject to the term provisions and conditions stated in this AGREEMENT, and shall not be effective until each of those conditions is satisfied.

c. The CONQUEST/HARRIS Releases. In consideration of the terms and provisions of and subject to this AGREEMENT, the sufficiency of which is acknowledged by the execution of this AGREEMENT, as of the Effective Date, CONQUEST/HARRIS does hereby fully and forever relieve, release, and discharge the DEATH ROW TRUSTEE, the DEATH ROW ESTATE, the KNIGHT TRUSTEE, the KNIGHT ESTATE, the HARRIS ESTATE and the HARRIS CHAPTER 7 TRUSTEE, and any and all representatives thereof, of any and all debts, liabilities, demands, obligations, assertions, contentions, arbitrations, promises, acts, contracts, costs, expenses, attorneys' fees, claims, damages, actions, causes of actions, claims for relief, and/or lawsuits, in law or in equity, from the beginning of time through the Effective Date of this AGREEMENT, known or unknown, suspected or unsuspected, fixed or contingent.

d. The HARRIS CHAPTER 7 TRUSTEE's Release. In consideration of the terms and provisions of and subject to this AGREEMENT, the sufficiency of which is acknowledged by the execution of this AGREEMENT, as of the Effective Date, the HARRIS CHAPTER 7 TRUSTEE does hereby fully and forever relieve, release, and discharge

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the DEATH ROW TRUSTEE, the DEATH ROW ESTATE, the KNIGHT TRUSTEE and the KNIGHT ESTATE, and any and all representatives thereof, of any and all debts, liabilities, demands, obligations, assertions, contentions, arbitrations, promises, acts, contracts, costs, expenses, attorneys' fees, claims, damages, actions, causes of actions, claims for relief, and/or lawsuits, in law or in equity, from the beginning of time through the Effective Date of this AGREEMENT, known or unknown, suspected or unsuspected, fixed or contingent.

e. Effect of Releases. The releases granted above in sub-paragraphs 9(a) through (d) are effective only as of the Effective Date, and expressly subject to the term provisions and conditions stated in this AGREEMENT, and shall not be effective until each of those conditions is satisfied.

f. General Release: The PARTIES expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, or any other federal or state statutory or common law rights or rules similar to Section 1542. Section 1542 provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The PARTIES expressly waive and release any right or benefit which they have or may have under Section 1542, or any similar law or rule of any jurisdiction, to the full extent that they may waive all such right and benefits pertaining to the matters released in this AGREEMENT. In connection with such waiver and relinquishment, the PARTIES acknowledge that they are aware that they may subsequently discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true with respect to the matters released in this AGREEMENT. Nevertheless, it is the intention of each PARTY to this AGREEMENT, through this AGREEMENT, and with the advice of counsel, fully, finally, and forever to settle and release all such matters and all such claims relative to these matters which do now exist, may exist, or previously have existed between the PARTIES. In furtherance of such intention, the releases given by this AGREEMENT shall be and remain in effect as full and complete releases of such matters notwithstanding the discovery or existence of any such additional different claims or facts relative to such matters.

10. Continuing Jurisdiction of the BANKRUPTCY COURT: This AGREEMENT is subject to and contingent upon the approval by the BANKRUPTCY COURT in the DEATH ROW CASE, the KNIGHT CASE, and the HARRIS CHAPTER 7 CASE. The BANKRUPTCY COURT shall have exclusive jurisdiction to determine as a core proceeding any dispute or controversy with respect to the interpretation or enforcement of this AGREEMENT.

11. Attorney's Fees: The PARTIES to this AGREEMENT agree to bear all of their own attorney's fees and costs incurred in connection with the Adversary Proceeding and the negotiation, preparation, execution, delivery, and performance of this AGREEMENT.

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12. Disputes: In the event any PARTY to this AGREEMENT makes a claim or raises a defense against the other PARTY involving the interpretation or enforcement of this AGREEMENT and/or the obligations hereunder, the prevailing party shall be entitled to its reasonable attorneys' fees, expenses, and costs incurred in enforcing this AGREEMENT.

13. Severability: If any paragraph, term, or provision of this AGREEMENT shall be held or determined to be unenforceable by a court or tribunal of competent jurisdiction, the same shall be deemed severable from this AGREEMENT and the balance of this AGREEMENT shall continue in full force and effect. The PARTIES agree that if such paragraph, term, or provision is deemed invalid as written, it shall be deemed valid and enforceable to the fullest extent permitted by law.

14. Entire Agreement: This AGREEMENT, with its Exhibits, constitutes a single, integrated written contract expressing the entire agreement of the PARTIES hereto concerning subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any PARTY to this AGREEMENT, except as specifically set forth herein. All prior agreements, discussions, and negotiations, whether oral or written, have been and are merged and integrated into, and are entirely superseded by this AGREEMENT.

15. Joint Preparation: The PARTIES agree that this AGREEMENT shall be deemed to have been prepared by all of the PARTIES jointly, and no ambiguity shall be resolved against any PARTY on the premise that it was responsible for drafting this AGREEMENT, in whole or in part.

16. Representations and Warranties: The PARTIES hereto represent and warrant that each signatory hereto has the full right and authority to enter into this AGREEMENT and bind the PARTY on whose behalf he or it has executed this AGREEMENT, except for constraints imposed upon the TRUSTEES and the HARRIS CHAPTER 7 TRUSTEE by the BANKRUPTCY CODE.

17. Binding Agreement: This AGREEMENT shall bind and shall inure to the benefit of successors and assigns of each PARTY. With respect to each of the individual PARTIES, this AGREEMENT shall also bind and inure to the benefit of his or her heirs and assigns. With respect to each of the entity PARTIES, this AGREEMENT shall also bind and inure to the benefit of any parent, affiliate, predecessor-in-interest, successor-in-interest, or assign. With respect to each of the PARTIES that are bankruptcy trustees, this AGREEMENT shall also inure to the benefit of and bind any successor or assignee; whether by sale, assignment, transfer under a plan of reorganization or conversion of the DEATH ROW CASE and/or the KNIGHT CASE to a Chapter 7 case under the BANKRUPTCY CODE, or otherwise.

18. Governing Law: This AGREEMENT shall be governed by, and construed in accordance with, the laws of the State of California and any disputes arising out of this AGREEMENT shall be brought only in BANKRUPTCY COURT, which shall have exclusive jurisdiction of any and all such disputes as a core matter.

19. Counterparts: This AGREEMENT may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but

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such counterparts together shall constitute but one and the same instrument and agreement.
Facsimile signatures may be used and shall be deemed to be original signatures for all purposes.

THE PARTIES TO THIS AGREEMENT FURTHER STATE THAT THEY
HAVE CAREFULLY READ THIS AGREEMENT, THAT IT HAS BEEN FULLY
EXPLAINED TO THEM BY THEIR ATTORNEYS, THAT THEY FULLY
UNDERSTAND ITS FULL AND BINDING EFFECT, THAT THE ONLY
PROMISES MADE TO THEM TO INDUCE THEM TO SIGN THIS AGREEMENT
ARE THOSE CONTAINED IN THIS AGREEMENT, AND THAT THEY ARE
SIGNING THIS AGREEMENT VOLUNTARILY.

IN WITNESS OF THIS AGREEMENT, the PARTIES and their respective counsel have
approved and executed this AGREEMENT on the dates set forth opposite their respective
signatures.

Dated: April __, 2008

CHAPTER 11 TRUSTEE OF THE MARION
"SUGE" KNIGHT ESTATE

By: _____
Richard K. Diamond, Chapter 11 Trustee
of the Marion "Suge" Knight, Jr. Estate

Dated: April __, 2008

CHAPTER 11 TRUSTEE OF THE DEATH
ROW RECORDS, INC. ESTATE

By: _____
R. Todd Neilson, Chapter 11 Trustee of the
Death Row Records, Inc. Estate

Dated: April __, 2008

LYDIA HARRIS

Lydia Harris

Dated: April __, 2008

MICHAEL RAY HARRIS

Michael Ray Harris

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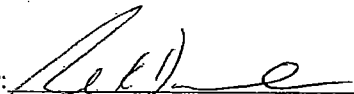
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IN WITNESS OF THIS AGREEMENT, the PARTIES and their respective counsel have
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signatures.

Dated: April 21, 2008

CHAPTER 11 TRUSTEE OF THE MARION
"SUGE" KNIGHT ESTATE

By: 
Richard K. Diamond, Chapter 11 Trustee
of the Marion "Suge" Knight, Jr. Estate

Dated: April __, 2008

CHAPTER 11 TRUSTEE OF THE DEATH
ROW RECORDS, INC. ESTATE

By: _____
R. Todd Neilson, Chapter 11 Trustee of the
Death Row Records, Inc. Estate

Dated: April __, 2008

LYDIA HARRIS

Lydia Harris

Dated: April __, 2008

MICHAEL RAY HARRIS

Michael Ray Harris

Case 2:06-bk-11187-VZ Doc 524 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
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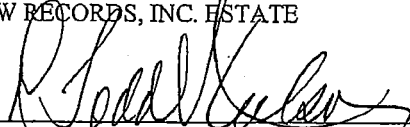
Dated: April __, 2008

CHAPTER 11 TRUSTEE OF THE MARION
"SUGE" KNIGHT ESTATE

By: _____
Richard K. Diamond, Chapter 11 Trustee
of the Marion "Suge" Knight, Jr. Estate

Dated: April 24, 2008

CHAPTER 11 TRUSTEE OF THE DEATH
ROW RECORDS, INC. ESTATE

By: 
R. Todd Neilson, Chapter 11 Trustee of the
Death Row Records, Inc. Estate

Dated: April __, 2008

LYDIA HARRIS

Lydia Harris

Dated: April __, 2008

MICHAEL RAY HARRIS

Michael Ray Harris

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EXPLAINED TO THEM BY THEIR ATTORNEYS, THAT THEY FULLY
UNDERSTAND ITS FULL AND BINDING EFFECT, THAT THE ONLY
PROMISES MADE TO THEM TO INDUCE THEM TO SIGN THIS AGREEMENT
ARE THOSE CONTAINED IN THIS AGREEMENT, AND THAT THEY ARE
SIGNING THIS AGREEMENT VOLUNTARILY.

IN WITNESS OF THIS AGREEMENT, the PARTIES and their respective counsel have
approved and executed this AGREEMENT on the dates set forth opposite their respective
signatures.

Dated: April __, 2008

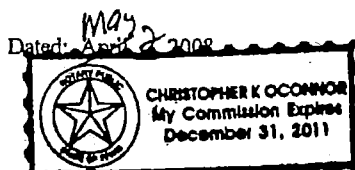
CHAPTER 11 TRUSTEE OF THE MARION
"SUGE" KNIGHT ESTATE

By: _____
Richard K. Diamond, Chapter 11 Trustee
of the Marion "Suge" Knight, Jr. Estate


Dated: April __, 2008

CHAPTER 11 TRUSTEE OF THE DEATH
ROW RECORDS, INC. ESTATE

By: _____
R. Todd Neilson, Chapter 11 Trustee of the
Death Row Records, Inc. Estate



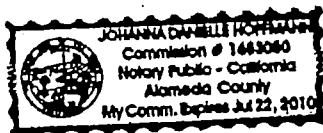
LYDIA HARRIS


Lydia Harris

Dated: April 11, 2008

MICHAEL RAY HARRIS


Michael Ray Harris



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Dated: April 15, 2008

CONQUEST MEDIA GROUP, LLC

By: M. Brown

Title: Chairman

Its Duly Authorized Representative

See attached for notary

Dated: April __, 2008

CHAPTER 7 TRUSTEE OF THE LYDIA
HARRIS ESTATE

By: H. Ryan
Helen Ryan Frazer, Chapter 7 Trustee of the
Lydia Harris Estate

APPROVED AS TO FORM:

Dated: April __, 2008

KAYE SCHOLER LLP

By: _____
Ronald L. Leibow, Esq.
Counsel to R. Todd Neilson as Chapter 11
Trustee for Death Row Records, Inc.

Dated: April __, 2008

DANNING, GILL, DIAMOND & KOLLITZ,
LLP

By: _____
Eric P. Israel, Esq.
Counsel to Richard K. Diamond as Chapter
11 Trustee for Marlon "Suge" Knight, Jr.

Dated: April 15, 2008

AKIN, GUMP, STRAUS, HAUER & FELD,
LLP

By: P. J. Gurfain
Peter J. Gurfain, Esq.
Counsel to Conquest Media Group, LLC

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Main Document Page 39 of 41

Dated: April __, 2008

CONQUEST MEDIA GROUP, LLC

By: _____

Title: _____

Its Duly Authorized Representative

Dated: April __, 2008

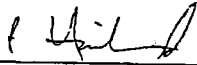
CHAPTER 7 TRUSTEE OF THE LYDIA
HARRIS ESTATE

By: _____
Helen Ryan Frazer, Chapter 7 Trustee of the
Lydia Harris Estate

APPROVED AS TO FORM:

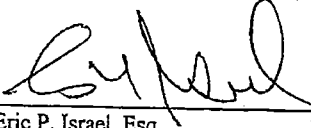
Dated: April 10, 2008

KAYE SCHOLER LLP

By:  _____
Ronald L. Leibow, Esq. ~~PETER KAVILAND~~
Counsel to R. Todd Neilson as Chapter 11
Trustee for Death Row Records, Inc.

Dated: April 30, 2008

DANNING, GILL, DIAMOND & KOLLITZ,
LLP

By:  _____
Eric P. Israel, Esq.
Counsel to Richard K. Diamond as Chapter
11 Trustee for Marion "Suge" Knight, Jr.

Dated: April __, 2008

AKIN, GUMP, STRAUS, HAUER & FELD,
LLP

By: _____
Peter J. Gurfein, Esq.
Counsel to Conquest Media Group, LLC

May 2, 2008 2:45 PM U.S. Bankruptcy Court PATRICK K. McCLELLAN No. 0865 P. 2 82/02
Case 2:06-bk-11187-VZ Doc 524 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
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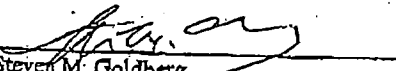
Dated: April 2, 2008

WEINSTEIN, WEISS & ORDUBEGIAN LLP

By: 
Sharon Z. Weiss, Esq.
Counsel to Lydia Harris

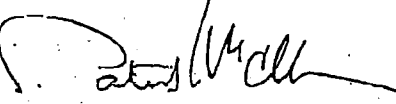
Dated: April 30, 2008

RUSS AUGUST & KABAT, LLP

By: 
Steven M. Goldberg,
Counsel to Michael Ray Harris

~~May~~
Dated: April 2, 2008

LAW OFFICES OF PATRICK K.
McCLELLAN

By: 

Patrick K. McClellan,
Counsel to Helen Ryan Frazier, Chapter 7
Trustee of the Lydia Harris bankruptcy estate

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On April 21, 2008 before me, C. Blair Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Richard K. Diamond
Name(s) of Signer(s)

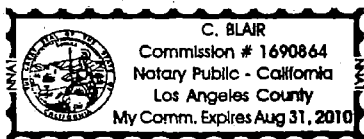
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature C. Blair
Signature of Notary Public

Place Notary Seal Above



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

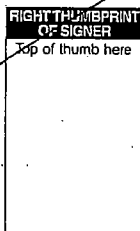
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

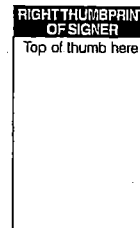
Signer Is Representing: _____



Signer's Name: _____


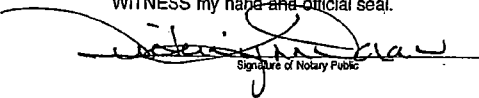

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____



Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 1 of 55

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	
County of <u>Los Angeles</u>	} ss.
On <u>April 24, 2008</u> before me, <u>Victoria Lynn Doran</u>	
<small>Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")</small>	
personally appeared <u>R. Todd Nelson</u>	
<small>Name(s) of Signer(s)</small>	
<input checked="" type="checkbox"/> personally known to me	
<input checked="" type="checkbox"/> proved to me on the basis of satisfactory evidence	
to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument	
	WITNESS my hand and official seal.
	
<small>Signature of Notary Public</small>	
OPTIONAL	
<small>Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.</small>	
Description of Attached Document	
Title or Type of Document: <u>Agreement & Mutual Release</u>	
Document Date: _____	Number of Pages: <u>14</u>
Signer(s) Other Than Named Above: _____	
Capacity(ies) Claimed by Signer	
Signer's Name: <u>R. Todd Nelson</u>	
<input type="checkbox"/> Individual	
<input type="checkbox"/> Corporate Officer — Title(s): _____	
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General	
<input type="checkbox"/> Attorney-in-Fact	
<input checked="" type="checkbox"/> Trustee	
<input type="checkbox"/> Guardian or Conservator	
<input type="checkbox"/> Other: _____	
Signer Is Representing: <u>Bankruptcy Estate of Death Row Records</u>	
	

02:07:16 p.m.

05-02-2008

3 / 3

TEXAS ORDINARY CERTIFICATE OF ACKNOWLEDGMENT CIVIL PRACTICE & REMEDIES CODE § 121.007

State of Texas
County of Fort Bend

Before me, Christopher K O'Connor on this
Name and Office of Notary Public e.g., John Smith, Notary Public
day personally appeared LYDIA HARRIS
Name of Signer

☐ known to me
☐ proved to me on the oath of _____
Name of Credible Witness

☒ proved to me through JOE BAKER
Description of Identity Card or Document

to be the person whose name is subscribed to the foregoing
instrument and acknowledged to me that he/she executed the
same for the purposes and consideration therein expressed.

Given under my hand and seal of office this
2 day of May, A.D., 2008
Day Month Year

Christopher K O'Connor
Signature of Notary Public

OPTIONAL

Though the information in this section is not required by law, it may prove valuable to persons relying on the
document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Agreement and Mutual Release

Document Date: May 2, 2008 Number of Pages: 14

Signer(s) Other Than Named Above: _____

RIGHT TO PRINT
Top of Thumb Here

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00043

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 3 of 55

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

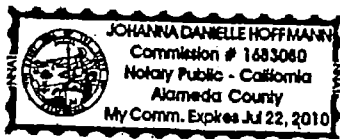
State of California

County of Main

On April 11, 2008 before me, Johanna D. Hoffmann
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Michael Ray Harris
Name(s) of Signer(s)

☒ personally known to me

☒ (or proved to me on the basis of satisfactory evidence)



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

J. Hoffmann
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Agreement and Mutual Release

Document Date: April 11, 2008 Number of Pages: 13

Signer(s) Other Than Named Above: Richard K. Diamond, R. Todd Nelson, Lydia Harris,
Imprint Media Group, Helen Ryan Frazer, Ronald L. Leibow, Eric P. Brael, Peter J. Gurfain,
Shawn Z. Weiss

Capacity(ies) Claimed by Signer(s)

Signer's Name: Michael Ray Harris

- ☒ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

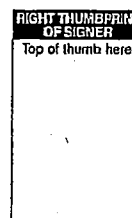
Signer Is Representing: _____



Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____



00044

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 4 of 55

Apr 16 2008 9:21

HP LASERJET FAX

8188179411

p.13

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On 4/15/08 before me, Sam Jazayeri, Notary Public
personally appeared Alvin G. Brown
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature Sam Jazayeri
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Agreement and Mutual Release

Document Date: 4/15/08 Number of Pages: 14

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

00045

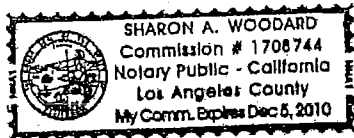
Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 5 of 55

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

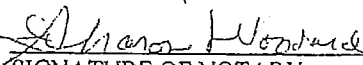
On May 1, 2008 before me, Sharon A. Woodard, Notary Public, personally appeared Helen Ryan Frazer, who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



(Seal)

WITNESS my hand and official seal.


SIGNATURE OF NOTARY

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 6 of 55

EXHIBIT 2

00047

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 7 of 55

Form B10 (Official Form 10) (10/05)

United States Bankruptcy Court Central District of California		PROOF OF CLAIM
Name of Debtor MARION H. KNIGHT, JR.	Case Number LA06-11187 EC	FILED MAY - 4 2006 CLERK U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA San Diego, CA <i>F42a</i>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (The person or other entity to whom the debtor owes money or property): MICHAEL RAY HARRIS	<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Name and address where notices should be sent: Steven M. Goldberg, Esq. Russ August & Kabat 12424 Wilshire Bl #1200 Los Angeles, CA 90025 Telephone number: (310) 826-7474		
Last four digits of account or other number by which creditor identifies debtor:	Check here <input type="checkbox"/> replaces if this claim <input type="checkbox"/> amends a previously filed claim, dated: _____	This space is for Court use only.
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <u>Court Judgment</u> <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Last four digits of your Social Security number: _____ Unpaid compensation for services performed from _____ (date) to _____ (date)		
2. Date debt was incurred: <u>March 9, 2005</u> 3. If court judgment, date obtained: <u>March 9, 2005</u>		
4. Total Amount of Claim at Time Case Filed: <u>\$117,318,631.50</u> (unsecured) (secured) (priority) (Total) If all or part of your claim is secured or entitled to priority, also complete item 5 or 7 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
5. Secured Claim. <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____ 6. Unsecured Nonpriority Claim. <u>\$117,318,631.50</u> <input checked="" type="checkbox"/> Check this box if (a) there is no collateral or lien securing your claim, or (b) your claim exceeds the value of the property securing it or (c) none or only part of your claim is entitled to priority.		
7. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim, all or part of which is entitled to priority. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries or commissions (up to \$10,000),* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Domestic support obligations under - 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). *Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment. \$10,000 and 180-day limits apply to cases filed on or after 4/20/05. Pub. L. 109-8		
8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. 9. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. 10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		This space is for Court use only.
Date <u>5/3/06</u>	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) <i>Steven M. Goldberg, Esq.</i> STEVEN M. GOLDBERG, ESQ.	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 357.		

00048

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit --- Page 8 of 55

ITEMIZATION OF ADDITIONAL CHARGES

Original Judgment: \$107,000,000 (see attached Judgment in LASC Case No. BC 268857)

Statutory Interest: 10% per annum as follows—

\$29,315.07 per day from entry of judgment (March 9, 2005) through payment of
\$1,000,000 on May 27, 2005 = \$2,315,890.50.

\$29,041.10 (daily rate of interest on reduced amount of judgment (\$106,000,000))
per day from May 27, 2005 to date case filed, April 04, 2006 = \$9,002,741.00.

Total Statutory Interest: \$11,318,631.50.

Total payments against judgment by debtor: \$1,000,000.

Total claim as of date case filed: \$117,318,631.50

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 9 of 55

F.D.

FILED

LOS ANGELES SUPERIOR COURT

MAR 09 2005

JOHN A. CLARKE, CLERK

By: *L. Castle*

W. CASTLE

1 DAVID B. CASSELMAN (SBN 81657)
2 I.DONALD WEISSMAN (SBN 67980)
3 WASSERMAN, COMDEN, CASSELMAN & PEARSON L.L.P.
4 5567 Reseda Boulevard, Suite 330
5 Post Office Box 7033
6 Tarzana, California 91357-7033
7 Telephone: (818) 705-6800 • (323) 872-0995
8 Facsimile: (818) 705-8147

Attorneys for Plaintiffs

9 LYDIA HARRIS and NEW IMAGE MEDIA
10 CORPORATION

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF LOS ANGELES

13 LYDIA HARRIS, LIFESTYLE
14 RECORDS, INC., AND NEW IMAGE
15 MEDIA CORP..

16 Plaintiffs,

17 v.

18 KEVIN GILLIAM AKA BATTLECAT;
19 MARION H. KNIGHT AKA SUGE
20 KNIGHT; DEATH ROW RECORDS;
21 THA ROW, INC.; DAVID E. KENNER;
22 DAVID E. KENNER PROFESSIONAL
23 LAW CORPORATION; DAVID E.
24 KENNER, A PROFESSIONAL
25 CORPORATION; THE DAVID E.
26 KENNER TRUST; INTERSCOPE
27 RECORDS; JIMMY IOVINE; JOHN T.
28 MCCLAIN, JR.; A&M RECORDS; ET
AL.

Defendants.

CASE NO. BC 268857

Case Assigned to:
Judge Ronald M. Sohigian - Dept. 41

[Complaint Filed: February 26, 2002]

JUDGMENT

Upon the Order striking the Answer of MARION H. KNIGHT, aka SUGE KNIGHT, ~~aka~~
DEATHROW RECORDS, INC., ~~aka~~ DEATHROW RECORDS, L.L.C., ~~aka~~ THA ROW, INC.,
to Plaintiffs' Complaint and entering default thereon, consideration of the Plaintiffs' Application
for Default Prove-up Damages and the supporting declarations of Lydia Harris, I.Donald
Weissman, Michael Harris and Phil Ames, and good cause appearing therefor,

JUDGMENT

00050

WASSERMAN, COMDEN, CASSELMAN & PEARSON L.L.P.
5567 RESEDA BOULEVARD, SUITE 330
TARZANA, CALIFORNIA 91357-7033

1 IT IS HEREBY ADJUDGED that judgment is entered in favor of plaintiffs, LYDIA
2 HARRIS and NEW IMAGE MEDIA CORP., and against defendants, MARION H. KNIGHT
3 aka SUGE KNIGHT, ~~DEATH ROW RECORDS, INC., aka DEATH ROW RECORDS L.L.C.,~~
4 ~~and THA ROW, INC.~~ in the sum of \$ 45,000,000 for economic damages,
5 \$ 2,000,000 for non-economic damages, \$ 60,000,000 for punitive damages.
6

7 Further, PLAINTIFFS to recover costs pursuant to a memorandum of costs to be filed
8 pursuant to the statute in the amount of \$ _____
9

10 Dated: 3-9-05

Rouel M. Schizian
JUDGE OF THE LOS ANGELES SUPERIOR COURT

WASSERMAN, COMDEN, CASSELMAN & PEARSON LLP
5557 REBEKA BOULEVARD, SUITE 200
P.O. BOX 7053
TARZANA, CALIFORNIA 91377-7053

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 11 of 55

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): DEBRA VANIMAN CRAWFORD, SBN 116222 LAW OFFICES OF CRAWFORD & CRAWFORD P.O. Box 373 SW Mission & 4th Carmel, California 93921-0373 TELEPHONE NO: 831-624-2422 FAX NO (Optional): E-MAIL ADDRESS (Optional):		FL-180 FOR COURT USE ONLY FILED DEC 23 2005 LISA M. GALDOS CLERK OF THE SUPERIOR COURT C.J. CAMACHO DEPUTY
ATTORNEY FOR (Name): LYDIA HARRIS SUPERIOR COURT OF CALIFORNIA, COUNTY OF MONTEREY STREET ADDRESS: 1200 Aguajito Road MAILING ADDRESS: 1200 Aguajito Road CITY AND ZIP CODE: Monterey, CA 93940 BRANCH NAME: MONTEREY		
MARRIAGE OF PETITIONER: MICHAEL RAY HARRIS RESPONDENT: LYDIA HARRIS		CASE NUMBER: DR 43369
JUDGMENT <input checked="" type="checkbox"/> DISSOLUTION <input type="checkbox"/> LEGAL SEPARATION <input type="checkbox"/> NULLITY <input type="checkbox"/> Status only <input type="checkbox"/> Reserving jurisdiction over termination of marital or domestic partnership status <input type="checkbox"/> Judgment on reserved issues Date marital or domestic partnership status ends: DATE OF FILE STAMP DEC 23 2005		

1. ☐ This judgment ☐ contains personal conduct restraining orders ☐ modifies existing restraining orders. The restraining orders are contained on page(s) of the attachment. They expire on (date):
2. This proceeding was heard as follows: ☐ Default or uncontested ☐ By declaration under Family Code section 2338
☒ Contested
a. Date: 11-14-05 Dept: 13 Room:
b. Judicial officer (name): ADRIENNE M. GROVER ☐ Temporary Judge
c. ☒ Petitioner present in court ☒ Attorney present in court (name): STEVEN M. GOLDBERG
d. ☒ Respondent present in court ☒ Attorney present in court (name): DEBRA V. CRAWFORD
e. ☐ Claimant present in court (name): ☐ Attorney present in court (name):
f. ☒ Other (specify name): Attorney for Petitioner: DAN GOLDMAN
3. The court acquired jurisdiction of the respondent on (date): June 9, 2005
a. ☒ The respondent was served with process.
b. ☐ The respondent appeared.

THE COURT ORDERS, GOOD CAUSE APPEARING

4. a. ☒ Judgment of dissolution is entered. Marital or domestic partnership status is terminated and the parties are restored to the status of single persons
(1) ☒ on (specify date): SAME DATE AS FILE STAMP DEC 23 2005
(2) ☐ on a date to be determined on noticed motion of either party or on stipulation.
b. ☐ Judgment of legal separation is entered.
c. ☐ Judgment of nullity is entered. The parties are declared to be single persons on the ground of (specify):
d. ☐ This judgment will be entered nunc pro tunc as of (date):
e. ☐ Judgment on reserved issues.
f. The ☐ petitioner's ☐ respondent's former name is restored to (specify):
g. Jurisdiction is reserved over all other issues, and all present orders remain in effect except as provided below.
h. ☐ This judgment contains provisions for child support or family support. Each party must complete and file with the court a Child Support Case Registry Form (form FL-181) within 10 days of the date of this judgment. The parents must notify the court of any change in the information submitted within 10 days of the change, by filing an updated form. The Notice of Rights and Responsibilities—Health Care Costs and Reimbursement Procedures and Information Sheet on Changing a Child Support Order (form FL-182) is attached.

Form Adopted by the Judicial Council of California
FL-180 (Rev. January 1, 2005)

JUDGMENT
(Family Law)

Legal
Solutions
& Plus

Page 1 of 2
Family Case, 11/20/05, 23/05, 20/05, 23/05

00052

20 DEC. 13. 2005 10:21 AM 1831 ERUSS AUGUST & KABAT. CRAWFORD & CRAWFORD NO. 0028 P. 2/482/04

1 PURSUANT TO STIPULATION OF THE PARTIES RECITED IN COURT, IT IS HEREBY
2 ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

3
4 1. Of the monies received by Respondent from Marlon Knight to date, Sixty
5 Thousand (\$60,000) shall be paid to an individual per agreement of the parties, One
6 Hundred and Seventy-Nine Thousand Dollars (\$179,000) shall be given to Petitioner
7 and Two Hundred Thousand Dollars (\$200,000) shall be retained by Respondent.

8 Each party shall pay one-half of the copying costs for the Xenon case out of said
9 money.

10 Respondent shall put Two Hundred Six Thousand Dollars (\$206,000) in escrow
11 for potential fees or costs in LASC Case BC 288857.

12 Each party shall pay taxes, if any, on their share of said money.

13 2. Each party is awarded one-half of the net profits of the DVD on the
14 documentary "Welcome to Death Row."

15 3. Any and all major decisions on the lawsuit regarding the "Welcome to Death
16 Row" documentary versus Xenon shall be made by the parties jointly. The net proceeds
17 of said lawsuit shall be divided equally by the parties. The costs shall be shared equally
18 by the parties and shall be advanced, if possible. Respondent will keep Petitioner
19 advised of all developments in the case, and shall provide him with copies of all filed
20 documents to date at Petitioner's expense.

21 4. Each party shall receive one-half of the net proceeds from the Battlecat
22 Judgment in LASC Case BC 288857, which was an arbitrated judgment.

23 Petitioner is awarded the Battlecat masters. Respondent shall arrange for
24 shipment of said masters to Petitioner at his cost and direction.

25 Petitioner shall license the songs from the Battlecat masters in the documentary
26 "Married to the Game" to Respondent at no cost. Each party shall be awarded one-half
27 of the net proceeds of the "Married to the Game" DVD, but Respondent shall have
28

Judgment; Marriage of Harris; DR 43369

00053

1 DEC. 13. 2005 16:21 AM 1831 ERUSS AUGUST & KADAT CRAWFORD & CRAWFORD NO. 8029 P. 3/4 83/84

1 management and control over the "Married to the Game" DVD. No salary shall be paid
2 to Respondent in determining net proceeds.

3 5. The corporation KDA is awarded to Respondent.

4 6. The restaurant Desha's Soul Food is awarded to Respondent.

5 7. The proceeds from the "Married to the Game" book is awarded to
6 Respondent.

7 8. O Lydia, a company, is awarded to Respondent. However, one-half of the
8 net proceeds from the "Married to the Game" DVD is awarded to each party.

9 9. The parties shall cooperate to consolidate their ongoing business concerns
10 which are community property and from which they are each getting profits into a
11 company to be created called Harris Enterprises.

12 10. The company Dream On Production is awarded to Respondent, except for
13 one-half of the net royalties from "Married to the Game" DVD shall be awarded to each
14 party.

15 11. Petitioner's life story is awarded to Petitioner.

16 12. Nu Image Media is awarded to Petitioner after the One Hundred Seven
17 Million Dollar judgment in LASC Case BC 268857 has been collected or compromised to
18 the satisfaction of Petitioner and Respondent.

19 13. The proceeds of Los Angeles Superior Court Case BC 268857 are
20 community property. The allocation to the parties is reserved as to how much of said
21 proceeds shall be awarded to each party.

22 The fees and costs to Casselman's firm when they are determined shall be
23 divided between the parties on an equal basis. Each party shall pay their own fees and
24 costs in the case of Casselman versus Harris which is Los Angeles Superior Court case
25 BC 340196.

26 14. The issue of child support is reserved.

27 15. Child custody jurisdiction is in the State of Texas. The parties have stated
28

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1 their intent that Respondent will bring the child of the parties to visit Petitioner once
2 every two months until the child is 18 years of age.

3 16. The parties jointly support a motion for the appointment of a receiver for the
4 collection of the judgment in LASC Case BC 268857.

5 17. Each party shall pay their own attorneys fees and costs in this case to date.


6 18. The Court reserves jurisdiction over the executory portions of this Judgment
7 including the formation of Harris Enterprises.

8 19. The trial on the issue of the allocation of the proceeds of LASC Case BC
9 268857 is set for January 30, 2006, at 8:00 a.m. in Department 13 of this Court.

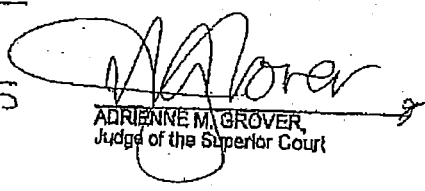
10 20. The parties shall exchange Preliminary Declarations of Disclosure forthwith.
11 The Final Declarations of Disclosure are waived.

12 APPROVED AS TO FORM AND CONTENT:

13
14 
15 STEVEN M. GOLDBERG,
16 Attorney for Petitioner,
17 MICHAEL HARRIS

18 
19 DEBRA VANIMAN CRAWFORD,
20 Attorney for Respondent,
21 LYDIA HARRIS

12-23-05


ADRIENNE M. GROVER,
Judge of the Superior Court

1 Hon. Stephen E. Haberfeld, Discovery Referee
2 JAMS
3 707 Wilshire Blvd., 46th Fl.
4 Los Angeles, CA 90017
5 Tel.: 213-353-9711
6 Fax: 213-620-0100
7 B-Mail: judgehaberfeld@comcast.net
8
9
10
11

12 SUPERIOR COURT OF CALIFORNIA
13 COUNTY OF MONTEREY

14 MICHAEL RAY HARRIS,
15 Petitioner,
16 vs.
17 LYDIA HARRIS,
18 Respondent.
19

Case No. DR 43369

REFeree'S ORDER GRANTING
PETITIONER'S MOTION TO COMPEL
MARION H. "SUGE" KNIGHT TO
PRODUCE DOCUMENTS RESPONSIVE
TO PETITIONER'S FIRST SET OF
REQUESTS FOR PRODUCTION OF
DOCUMENTS

Hearing

Date: January 5, 2006
Time: 5:15 p.m.
Place: Via Conference Call
Referee: Hon. Stephen E. Haberfeld

20
21
22
23
24 Petitioner Michael Ray Harris's ("Petitioner's") motion to compel Marion H. "Suge"
25 Knight ("Mr. Knight") to respond and produce documents responsive to Petitioner's first set
26 of requests for production of documents ("Motion") was expressly and specifically referred to
27 the undersigned discovery referee ("Referee") by the Court's Order, dated December 13, 2005 -
28 - which also appointed the Referee. Steven M. Goldberg, Esq. and Dan Goldman, Esq. of the

Referee

1
[PROPOSED] ORDER

00056

1 law firm of Russ August & Kabat appeared and participated with the Referee in a telephonic
2 hearing on the Motion -- which hearing was set by stipulation, including the agreement of
3 Dermot D. Givens, Esq. counsel for Mr. Knight, during a telephonic Status Conference held on
4 January 4, 2006. Debra Crawford, Esq. of the law firm of Crawford & Crawford, counsel for
5 Respondent Lydia Harris in this proceeding -- having been apprised of the stipulated and
6 ordered telephonic hearing during the aforesaid Status Conference -- stated that she did not
7 intend to participate in the hearing on the Motion.

8 Mr. Givens did not appear or participate in the hearing on the Motion, as agreed and
9 accordingly so ordered, or communicate with either the Referee or Petitioner's counsel after the
10 January 4, 2006 Status Conference and before or during the hearing on the Motion concerning
11 that hearing or at all.

12 All participants in the January 4, 2006 Status Conference knew the date, time and call-in
13 information for the hearing on the Motion. Messrs. Goldberg and Goldman dialed in for the
14 telephonic hearing, as agreed and ordered, shortly after 5:15 p.m. (PT). The Referee was already
15 on the line. After waiting for Mr. Givens for approximately five minutes, at approximately 5:20
16 p.m. (PT), the Referee stated that the Referee would go off line until the earlier of being
17 contacted that Mr. Givens had joined the conference call or 5:30 p.m. (PT), at which time the
18 Referee would dial back into the conference call and discuss with whoever was on the line at that
19 time what next to do.

20 At approximately 5:30 p.m. (PT) -- not having been contacted by anyone concerning that
21 or whether Mr. Givens had joined the conference call for the hearing -- the Referee dialed back
22 into the conference call and ascertained that Mr. Givens was not on the line. Petitioner's
23 counsel, Mr. Goldberg, represented to the Referee that Mr. Givens had not joined the conference
24 call at any time prior to the Referee's re-joining the conference call at 5:30 p.m. (PT) and that
25 Mr. Goldberg had unsuccessfully tried to contact Mr. Givens about his joining the telephonic
26 hearing on the Motion during the approximately ten minute (5:20-5:30 p.m. (PT)) interval when
27 the Referee was off-line. Mr. Goldberg represented that he had called Mr. Givens' cell phone
28 and that Mr. Givens did not answer, and Mr. Goldberg left a message, and that Mr. Goldberg

Referee

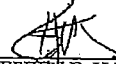
1 additionally sent Mr. Givens an e-mail, but Mr. Givens did not respond or call in to the
2 conference call.

3 At approximately 5:35 p.m. (PT), the Referee ruled that --- in view of the above-
4 referenced facts and circumstances, and good cause appearing --- the stipulated and ordered
5 telephonic hearing on the Motion would go forward, and the Referee made the following ruling
6 and order concerning the Motion during the hearing which lasted until approximately 5:45 p.m.
7 (PT).

8 Based on careful consideration of the papers submitted by Petitioner and Mr. Knight in
9 support of and in opposition to Petitioner's motion to compel Mr. Knight to produce, without
10 objection, all documents responsive to Petitioner's First Set of Requests for Production of
11 Documents ("document request") and, after a hearing and good cause appearing, it is hereby
12 ORDERED as follows. Petitioner's motion to compel is granted as to the production of all
13 documents requested to be produced by Mr. Knight in Petitioner's document request. Mr.
14 Knight is hereby ordered to produce, without objection, all documents in his possession, custody
15 and/or control which are responsive to Petitioner's document request, immediately prior to the
16 commencement of the taking of Mr. Knight's ordered deposition on Tuesday, January 10, 2006
17 at 10:00 a.m., at JAMS, 707 Wilshire Boulevard, 46th Floor, Los Angeles, California 90017.
18 Petitioner's request for monetary sanctions in connection with the Motion is reserved.

19 Immediately prior to the conclusion of the hearing on the Motion, the Referee requested
20 that Petitioner's counsel prepare, submit to the Referee and disseminate to all participants in the
21 discovery reference, including the Wasserman Comden firm, a proposed form of order for the
22 Referee's review and signature, reflecting the Referee's rulings and orders made during the
23 hearing on the Motion.

24 DATED: January 6, 2006


STEPHEN E. HABERFELD
Discovery Referee

25
26
27
28 Referee

PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 707 Wilshire Blvd. 46th Floor, Los Angeles, CA 90017.

On January 6, 2006, I served the foregoing document described as REFEREE'S ORDER GRANTING PETITIONER'S MOTION TO COMPEL MARION H. "SUGE" KNIGHT TO PRODUCE DOCUMENTS RESPONSIVE TO PETITIONER'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS in the matter of MICHAEL RAY HARRIS V. LYDIA HARRIS to interested parties in this action, as follows:

ORIGINAL FILED TO: (Via fax & mail)

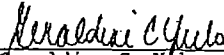
Hon. Adrienne Grover
Monterey Courthouse
1200 Agujito Road
Courtroom #13
Monterey, CA 93940
Fax: 831-647-5897

(SEE ATTACHED SERVICE LIST)

(X) BY MAIL: as follows: I am "readily familiar" with the firm's practice of collection and processing of correspondence for mailing with the United States Postal Service. I know that the correspondence was deposited with the United States Postal Service on the same day this declaration was executed in the ordinary course of business. I know that the envelope was sealed and, with postage thereon fully prepaid, placed for collection and mailing on this date in the United States mail at Los Angeles, California.

(X) BY FACSIMILE TRANSMISSION: I caused the above-referenced document(s) to be transmitted to the above-named person(s) at the telecopy numbers on the attached list.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on January 6, 2006.


Geraldine C. Yalo

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 19 of 55

CA001 - JAMS, Inc. Service List



1/6/2006

Reference #: 1220034123
Case Name: Harris, Michael Ray vs. Harris, Lydia
Case Type: FAMI
Referring Judge:
Panelist: Haberfeld, Stephen E.,

THE RESOLUTION EXPERTS

2 **Goldberg, Steven M.**
Steven M. Goldberg (Active)
Russ, August & Kabat PETI Petitioner
12424 Wilshire Blvd. Main Phone # 310-826-7474
Suite 1200 Direct Phone #
Los Angeles, CA 90025 FAX # 310-826-6991
sgoldberg@raklaw.com
Party Represented:
Michael Ray Harris

3 **Givens, Dermot**
Dermot Givens (Active)
L/O Dermot Givens RESP Respondent
433 Camden Dr. Main Phone # 310-854-8823
Suite 600 Direct Phone #
Beverly Hills, CA 90210 FAX # 323-878-0416
dermotg@aol.com
Party Represented:
Marion Knight
Death Row Records Inc.

4 **Crawford, Debra Vaniman**
Debra Vaniman Crawford (Active)
Crawford & Crawford RESP Respondent
P.O. Box 373 Main Phone # 831-624-2422
SW Mission & 4th Direct Phone #
Carmel, CA 93921 FAX # 831-624-2428
Debra@Divorce-123.com
Party Represented:
Lydia Harris

5 **Goldman, Dan**
Dan Goldman (Active)
Russ, August & Kabat PETI Petitioner
12424 Wilshire Blvd. Main Phone # 310-826-7474
Suite 1200 Direct Phone #
Los Angeles, CA 90025 FAX # 310-826-6991
dwgoldman@raklaw.com
Party Represented:
Michael Ray Harris

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 20 of 55

CA001 - JAMS, Inc. Service List



1/6/2006

6 Comden, Leonard J. THE RESOLUTION EXPERTS
Leonard J. Comden (Active)
Wasserman, Comden, Casselman & Pearson RESP Respondent
5567 Reseda Blvd., Suite 330 Main Phone # 818-705-6800
PO Box 7033 Direct Phone #
Tarzana, CA 91357-7033 FAX # 818-345-0162
lcomden@wccplaw.com
Party Represented :
Wasserman, Comden, Casselman & Pearson

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 21 of 55

P. 1

x x : Transmission Result Report (MemoryTX) (Jan. 6. 2006 2:49PM) : x x

}}

Date/Time: Jan. 6. 2006 2:13PM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
4540 Memory TX	18315475891 - REFUSED TO CANT	P. 7	E-3) 3)	P. 1-7
	Judge Haberfeld		OK	
	13108266991		OK	
	13238780416 - CORRECT # GIVENS		E-2) 2) 2) 2)	P. 1-7
	18316242428 - CRAWFORD		E-3) 3)	P. 1-7
	13108266991		OK	
	18183450162		OK	

Reason for error
E. 1) Hang up or line fall
E. 3) No Answer

E. 2) Busy
E. 4) No facsimile connection



January 6, 2006

Hon. Adrienne Connor
Memory Courtroom
1200 Aquella Road
Courtroom #13
Menlo Park, CA 94025
Phone 650-321-3397

Re: Harris, Michael Ray v. Harris Lydie
Case: DB 41349
JAMS: 2230034123

Dear Judge Connor:

Attached please find Judge Stephen Haberfeld's Referee's Order for your review and
signature.

Due to the production date and time of this coming Tuesday morning, the attached Order
is being faxed and mailed to you and all counsel.

Thank you for your attention. Please feel free to contact me should you have any
questions at 213-253-9711.

Sincerely,

Ray Yoda
Cynthia Yoda
Sr. Case Manager to
Judge Stephen Haberfeld, Discovery Referee
cynthia@jamsadr.com

cc: All counsel

Total Pages: 7
VIA FAX & U.S. MAIL

THE NATIONAL JAMS, 400 PINE STREET, SUITE 200, SAN FRANCISCO, CA 94111, PH 415.774.4000

00062

PROOF OF SERVICE

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 12424 Wilshire Boulevard, 12th Floor, Los Angeles, California 90025.

On May 4, 2006 I caused to be served the foregoing document described as
PROOF OF CLAIM on interested parties in this action

- ☒ by placing true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list.
☐ by placing ☐ the original ☐ a true copy thereof enclosed in sealed envelopes addressed as follows:

SERVICE NAME/ADDRESS


☒ BY MAIL

☐ I deposited such in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

☒ As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☒ Federal: I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on May 4, 2006 at Los Angeles, California.


NICOLE JONES

SERVICE LIST

Daniel McCarthy, Esq.
Hill, Farrer & Burrill LLP
300 S. Grand Avenue, 37th floor
Los Angeles, CA 90071

*Attorney for Debtor, Marion H. Knight,
Jr.*

Marion H. Knight, Jr.
PO Box 3037
Beverly Hills, CA 90212

Debtor

Alvin Mar, Esq.
Office of the US Trustee
725 S. Figueroa Street, 26th floor
Los Angeles, CA 90017

Trustee

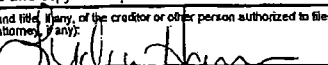
Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
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EXHIBIT 3

00065

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 25 of 55

ORIGINAL

Form B10 (Official Form 10) (1005)		PROOF OF CLAIM
United States Bankruptcy Court Central District of California		
Name of Debtor MARION KNIGHT, JR. aka SUGE KNIGHT	Case Number LA 06-11187-EC	
<small>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</small>		
Name of Creditor (The person or other entity to whom the debtor owes money or property): LYDIA HARRIS	<input checked="" type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	<div style="border: 1px solid black; padding: 5px; text-align: center;">FILED OCT 19 2006 <small>CLERK OF COURT DISTRICT OF CALIFORNIA</small></div> This space is for Court use only.
Name and address where notices should be sent: SHARON Z. WEISS (State Bar No. 169446) WEINSTEIN, WEISS & ORDUBEGIAN LLP 1925 Century Park East, Suite 1150 Los Angeles, CA 90067-2712 Telephone number: (310) 203-9393		
Last four digits of account or other number by which creditor identifies debtor:	Check here <input type="checkbox"/> if this claim <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated: _____	
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input checked="" type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input type="checkbox"/> Other _____		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Last four digits of your Social Security number: _____ Unpaid compensation for services performed from _____ (date) to _____ (date)
2. Date debt was incurred: Dec. 15, 1992 - Feb. 26, 2002		3. If court judgment, date obtained: March 9, 2005
4. Total Amount of Claim at Time Case Filed: \$ 107 million* <small>(unsecured) (secured) (priority) (Total)</small> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 7 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges. * In excess of \$107 million - some or all may be secured.		
5. Secured Claim. <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____		7. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim, all or part of which is entitled to priority. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries or commissions (up to \$10,000)* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Domestic support obligations under - 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). <small>*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment. \$10,000 and 180-day limits apply to cases filed on or after 4/20/05. Pub. L. 109-8</small>
6. Unsecured Nonpriority Claim. \$107 million <input checked="" type="checkbox"/> Check this box if (a) there is no collateral or lien securing your claim, or (b) your claim exceeds the value of the property securing it or (c) none or only part of your claim is entitled to priority. * See above.		
8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. 9. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. 10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		This space is for Court use only.
Date Sep _____, 2006	Sign and print the name and title (attach copy of power of attorney, if any): LYDIA HARRIS 	
<small>Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.</small>		

00066

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 26 of 55

F.D.

FILED
LOS ANGELES SUPERIOR COURT
MAR 09 2005
JOHN A. CLARKE, CLERK
By: H. Castle
H. CASTLE

1 DAVID B. CASSELMAN (SBN 81657)
2 I.DONALD WEISSMAN (SBN 67980)
3 WASSERMAN, COMDEN, CASSELMAN & PEARSON L.L.P.
4 5567 Reseda Boulevard, Suite 330
5 Post Office Box 7033
6 Tarzana, California 91357-7033
7 Telephone: (818) 705-6800 • (323) 872-0995
8 Facsimile: (818) 705-8147
9
10 Attorneys for Plaintiffs
11 LYDIA HARRIS and NEW IMAGE MEDIA
12 CORPORATION
13
14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF LOS ANGELES
16
17 LYDIA HARRIS, LIFESTYLE
18 RECORDS, INC., AND NEW IMAGE
19 MEDIA CORP..
20
21 Plaintiffs,
22
23 v.
24 KEVIN GILLIAM AKA BATTLECAT;
25 MARION H. KNIGHT AKA SUGE
26 KNIGHT; DEATH ROW RECORDS;
27 THE ROW, INC.; DAVID E. KENNER;
28 DAVID E. KENNER PROFESSIONAL
LAW CORPORATION; DAVID E.
KENNER, A PROFESSIONAL
CORPORATION; THE DAVID E.
KENNER TRUST; INTERSCOPE
RECORDS; JIMMY IOVINE; JOHN T.
MCCLAIN, JR.; A&M RECORDS; ET
AL.
Defendants.

CASE NO. BC 268857
Case Assigned to:
Judge Ronald M. Sohigian - Dept. 41
[Complaint Filed: February 26, 2002]

JUDGMENT

Upon the Order striking the Answer of MARION H. KNIGHT, aka SUGE KNIGHT, ~~aka~~
DEATH ROW RECORDS, INC., ~~aka~~ DEATH ROW RECORDS, INC., ~~aka~~ THE ROW, INC.,
to Plaintiffs' Complaint and entering default thereon, consideration of the Plaintiffs' Application
for Default Prove-up Damages and the supporting declarations of Lydia Harris, I.Donald
Weissman, Michael Harris and Phil Ames, and good cause appearing therefor.

JUDGMENT

-2-

00067

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 27 of 55

1 IT IS HEREBY ADJUDGED that judgment is entered in favor of plaintiffs, LYDIA
2 HARRIS and NEW IMAGE MEDIA CORP., and against defendants, MARION H. KNIGHT
3 aka SUGB KNIGHT, ^{and} ~~DEATH ROW RECORDS, INC., and DEATH ROW RECORDS L.L.C.,~~
4 ~~and TUA ROW, INC.~~, in the sum of \$ 45,000,000 for economic damages,
5 \$ 2,000,000 for non-economic damages, \$ 60,000,000 for punitive damages.
6

7 Further, PLAINTIFFS to recover costs pursuant to a memorandum of costs to be filed
8 pursuant to the statute in the amount of \$ _____
9

10 Dated: 3-9-05

11 Ronald H. Solizian
12 JUDGE OF THE LOS ANGELES SUPERIOR COURT
13
14
15
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18
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20
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22
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24
25
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28

WASSERMAN, CONDOR, CASSEMAN & PEARSON L.L.P.
8801 REBECCA BOULEVARD, SUITE 800
P.O. BOX 7032
TARZANA, CALIFORNIA 91377-7032

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 28 of 55

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address)		FOR COURT USE ONLY
DEBRA VANIMAN CRAWFORD, SBN 116222 LAW OFFICES OF CRAWFORD & CRAWFORD P.O. Box 373 SH Mission & 4th Carmel, California 93921-0373 TELEPHONE NO: 831-624-2422 FAX NO (Optional)		FILED DEC 23 2005 LISA M. GALDOS CLERK OF THE SUPERIOR COURT C. J. CAMACHO DEPUTY
MAILING ADDRESS (If different) ATTORNEY FOR PLAINTIFF: LYDIA HARRIS		
SUPERIOR COURT OF CALIFORNIA, COUNTY OF MONTEREY STREET ADDRESS: 1200 Aguajito Road MAILING ADDRESS: 1200 Aguajito Road CITY AND ZIP CODE: Monterey, CA 93940 TRANCH NAME: MONTEREY		
MARRIAGE OF PETITIONER: MICHAEL RAY HARRIS RESPONDENT: LYDIA HARRIS		CASE NUMBER: DR 43369
<div>JUDGMENT <input checked="" type="checkbox"/> DISOLUTION <input type="checkbox"/> LEGAL SEPARATION <input type="checkbox"/> NULLITY <input type="checkbox"/> Status only <input type="checkbox"/> Reserving jurisdiction over termination of marital or domestic partnership status <input type="checkbox"/> Judgment on reserved issues Date marital or domestic partnership status ends: DATE OF FILE STAMP DEC 23 2005</div>		
<p>1. <input type="checkbox"/> This judgment <input type="checkbox"/> contains personal conduct restraining orders <input type="checkbox"/> modifies existing restraining orders. The restraining orders are contained on page(s) of this attachment. They expire on (date):</p> <p>2. This proceeding was heard as follows: <input type="checkbox"/> Default or uncontested <input type="checkbox"/> By declaration under Family Code section 2338 <input checked="" type="checkbox"/> Contested a. Date: 11-14-05 Dept: 13 Room: b. Judicial officer (name): ADRIENNE M. GROVER <input type="checkbox"/> Temporary Judge c. <input checked="" type="checkbox"/> Petitioner present in court <input checked="" type="checkbox"/> Attorney present in court (name): STEVEN M. GOLDBERG <input checked="" type="checkbox"/> Respondent present in court <input checked="" type="checkbox"/> Attorney present in court (name): DEBRA V. CRAWFORD d. <input type="checkbox"/> Claimant present in court (name): <input type="checkbox"/> Attorney present in court (name): e. <input checked="" type="checkbox"/> Other (specify name): Attorney for Petitioner: DAN GOLDMAN 3. The court acquired jurisdiction of the respondent on (date): June 9, 2005 a. <input checked="" type="checkbox"/> The respondent was served with process. b. <input type="checkbox"/> The respondent appeared.</p> <p>THE COURT ORDERS, GOOD CAUSE APPEARING</p> <p>4. a. <input checked="" type="checkbox"/> Judgment of dissolution is entered. Marital or domestic partnership status is terminated and the parties are restored to the status of single persons (1) <input checked="" type="checkbox"/> on (specify date): SAME DATE AS FILE STAMP DEC 23 2005 (2) <input type="checkbox"/> on a date to be determined on noticed motion of either party or on stipulation. b. <input type="checkbox"/> Judgment of legal separation is entered. c. <input type="checkbox"/> Judgment of nullity is entered. The parties are declared to be single persons on the ground of (specify):</p> <p>d. <input type="checkbox"/> This judgment will be entered nunc pro tunc as of (date): e. <input type="checkbox"/> Judgment on reserved issues. f. The <input type="checkbox"/> petitioner's <input type="checkbox"/> respondent's former name is restored to (specify): g. <input type="checkbox"/> Jurisdiction is reserved over all other issues, and all present orders remain in effect except as provided below. h. <input type="checkbox"/> This judgment contains provisions for child support or family support. Each party must complete and file with the court a Child Support Case Registry Form (form FL-191) within 10 days of the date of this judgment. The parties must notify the court of any change in the information submitted within 10 days of the change, by filing an updated form. The Notice of Rights and Responsibilities—Health Care Costs and Reimbursement Procedures and Information Sheet on Changing a Child Support Order (form FL-182) is attached.</p> <p>Form Adopted for Mandatory Use Judicial Council of California FL-180 (Rev. January 4, 2005)</p> <p>JUDGMENT (Family Law)</p> <p>Legal Solutions & Plus</p> <p>Page 1 of 2 Family Law, 15:00:00 7/15/05, 7/15/05</p>		

00069

1 DEC. 13. 2005 10:21 AM LESLIE RUSS AUGUST & KABAT CRAWFORD & CRAWFORD NO. 8078 P. 1/12/04

1 PURSUANT TO STIPULATION OF THE PARTIES RECITED IN COURT, IT IS HEREBY
2 ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

3
4 1. Of the monies received by Respondent from Marlon Knight to date, Sixty
5 Thousand (\$60,000) shall be paid to an individual per agreement of the parties. One
6 Hundred and Seventy-Nine Thousand Dollars (\$179,000) shall be given to Petitioner
7 and Two Hundred Thousand Dollars (\$200,000) shall be retained by Respondent.
8 Each party shall pay one-half of the copying costs for the Xenon case out of said
9 money.

10 Respondent shall put Two Hundred Six Thousand Dollars (\$206,000) in escrow
11 for potential fees or costs in LASC Case BC 288857.

12 Each party shall pay taxes, if any, on their share of said money.

13 2. Each party is awarded one-half of the net profits of the DVD on the
14 documentary "Welcome to Death Row."

15 3. Any and all major decisions on the lawsuit regarding the "Welcome to Death
16 Row" documentary versus Xenon shall be made by the parties jointly. The net proceeds
17 of said lawsuit shall be divided equally by the parties. The costs shall be shared equally
18 by the parties and shall be advanced, if possible. Respondent will keep Petitioner
19 advised of all developments in the case, and shall provide him with copies of all filed
20 documents to date at Petitioner's expense.

21 4. Each party shall receive one-half of the net proceeds from the Battlecat
22 Judgment in LASC Case BC 288857, which was an arbitrated judgment.

23 Petitioner is awarded the Battlecat masters. Respondent shall arrange for
24 shipment of said masters to Petitioner at his cost and direction.

25 Petitioner shall license the songs from the Battlecat masters in the documentary
26 "Married to the Game" to Respondent at no cost. Each party shall be awarded one-half
27 of the net proceeds of the "Married to the Game" DVD, but Respondent shall have
28

Judgment, Marriage of Harris, DR 43369

DEC. 13. 2005 10:21 AM 1031RUSS AUGUSTE KANAT

CRAWFORD & CRAWFORD

NO. 6028 P. 3/4 ea/ua

1 management and control over the "Married to the Game" DVD. No salary shall be paid
2 to Respondent in determining net proceeds.

3 5. The corporation KDA is awarded to Respondent.

4 6. The restaurant Dasha's Soul Food is awarded to Respondent.

5 7. The proceeds from the "Married to the Game" book is awarded to
6 Respondent.

7 8. O Lydia, a company, is awarded to Respondent. However, one-half of the
8 net proceeds from the "Married to the Game" DVD is awarded to each party.

9 9. The parties shall cooperate to consolidate their ongoing business concerns
10 which are community property and from which they are each getting profits into a
11 company to be created called Harris Enterprises.

12 10. The company Dream On Production is awarded to Respondent, except for
13 one-half of the net royalties from "Married to the Game" DVD shall be awarded to each
14 party.

15 11. Petitioner's life story is awarded to Petitioner.

16 12. Nu Image Media is awarded to Petitioner after the One Hundred Seven
17 Million Dollar judgment in LASC Case BC 268857 has been collected or compromised to
18 the satisfaction of Petitioner and Respondent.

19 13. The proceeds of Los Angeles Superior Court Case BC 268857 are
20 community property. The allocation to the parties is reserved as to how much of said
21 proceeds shall be awarded to each party.

22 The fees and costs to Casselman's firm when they are determined shall be
23 divided between the parties on an equal basis. Each party shall pay their own fees and
24 costs in the case of Casselman versus Harris which is Los Angeles Superior Court case
25 BC 340196.

26 14. The issue of child support is reserved.

27 15. Child custody jurisdiction is in the State of Texas. The parties have stated
28

Judgment: Marriage of Harris, DR 43369

2

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00071

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DEC 13 2005 10:22AM 10316 RUSS AL01S1&K3AT CRAWFORD & CRAWFORD NO. 0078 P. 4/404/04

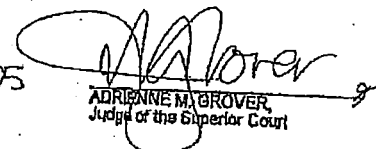
- 1 their intent that Respondent will bring the child of the parties to visit Petitioner once
- 2 every two months until the child is 18 years of age.
- 3 16. The parties jointly support a motion for the appointment of a receiver for the
- 4 collection of the judgment in LASC Case BC 268857.
- 5 17. Each party shall pay their own attorneys fees and costs in this case to date.
- 6 18. The Court reserves jurisdiction over the executory portions of this judgment
- 7 including the formation of Harris Enterprises.
- 8 19. The trial on the issue of the allocation of the proceeds of LASC Case BC
- 9 268857 is set for January 30, 2006, at 8:00 a.m. in Department 13 of this Court.
- 10 20. The parties shall exchange Preliminary Declarations of Disclosure forthwith.
- 11 The Final Declarations of Disclosure are waived.

12 APPROVED AS TO FORM AND CONTENT:

13
14 
15 STEVEN M. GOLDBERG,
16 Attorney for Petitioner
17 MICHAEL HARRIS

18 
19 DEBRA VANIMAN CRAWFORD,
20 Attorney for Respondent,
21 LYDIA HARRIS

22 12-23-05

23 
24 ADRIENNE M. GROVER,
25 Judge of the Superior Court

26
27
28 Judgment; Marriage of Harris; DR 43369

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1 Hon. Stephen E. Haberfeld, Discovery Referee
2 JAMS
3 707 Wilshire Blvd., 46th FL
4 Los Angeles, CA 90017
5 Tel.: 213-353-9711
6 Fax: 213-620-0100
7 E-Mail: judgehaberfeld@comcast.net

8
9
10
11 SUPERIOR COURT OF CALIFORNIA
12 COUNTY OF MONTEREY
13

14 MICHAEL RAY HARRIS,
15 Petitioner,
16 vs.
17
18 LYDIA HARRIS,
19 Respondent.

Case No. DR 43369

REFeree's ORDER GRANTING
PETITIONER'S MOTION TO COMPEL
MARION H. "SUGE" KNIGHT TO
PRODUCE DOCUMENTS RESPONSIVE
TO PETITIONER'S FIRST SET OF
REQUESTS FOR PRODUCTION OF
DOCUMENTS

Hearing

Date: January 5, 2006
Time: 5:15 p.m.
Place: Via Conference Call
Referee: Hon. Stephen E. Haberfeld

24 Petitioner Michael Ray Harris's ("Petitioner's") motion to compel Marion H. "Suge"
25 Knight ("Mr. Knight") to respond and produce documents responsive to Petitioner's first set
26 of requests for production of documents ("Motion") was expressly and specifically referred to
27 the undersigned discovery referee ("Referee") by the Court's Order, dated December 13, 2005 -
28 which also appointed the Referee. Steven M. Goldberg, Esq. and Dan Goldman, Esq. of the

Referee

1

(PROPOSED) ORDER

1 law firm of Russ August & Kabat appeared and participated with the Referee in a telephonic
2 hearing on the Motion — which hearing was set by stipulation, including the agreement of
3 Deimot D. Givens, Esq. counsel for Mr. Knight, during a telephonic Status Conference held on
4 January 4, 2006. Debra Crawford, Esq. of the law firm of Crawford & Crawford, counsel for
5 Respondent Lydia Harris in this proceeding — having been apprised of the stipulated and
6 ordered telephonic hearing during the aforesaid Status Conference — stated that she did not
7 intend to participate in the hearing on the Motion.

8 Mr. Givens did not appear or participate in the hearing on the Motion, as agreed and
9 accordingly so ordered, or communicate with either the Referee or Petitioner's counsel after the
10 January 4, 2006 Status Conference and before or during the hearing on the Motion concerning
11 that hearing or at all.

12 All participants in the January 4, 2006 Status Conference knew the date, time and call-in
13 information for the hearing on the Motion. Messrs. Goldberg and Goldman dialed in for the
14 telephonic hearing, as agreed and ordered, shortly after 5:15 p.m. (PT). The Referee was already
15 on the line. After waiting for Mr. Givens for approximately five minutes, at approximately 5:20
16 p.m. (PT), the Referee stated that the Referee would go off line until the earlier of being
17 contacted that Mr. Givens had joined the conference call or 5:30 p.m. (PT), at which time the
18 Referee would dial back into the conference call and discuss with whoever was on the line at that
19 time what next to do.

20 At approximately 5:30 p.m. (PT) — not having been contacted by anyone concerning that
21 or whether Mr. Givens had joined the conference call for the hearing — the Referee dialed back
22 into the conference call and ascertained that Mr. Givens was not on the line. Petitioner's
23 counsel, Mr. Goldberg, represented to the Referee that Mr. Givens had not joined the conference
24 call at any time prior to the Referee's re-joining the conference call at 5:30 p.m. (PT) and that
25 Mr. Goldberg had unsuccessfully tried to contact Mr. Givens about his joining the telephonic
26 hearing on the Motion during the approximately ten minute (5:20-5:30 p.m. (PT)) interval when
27 the Referee was off-line. Mr. Goldberg represented that he had called Mr. Givens' cell phone
28 and that Mr. Givens did not answer, and Mr. Goldberg left a message, and that Mr. Goldberg

2

[PROPOSED] ORDER


1 additionally sent Mr. Givens an e-mail, but Mr. Givens did not respond or call in to the
2 conference call.

3 At approximately 5:35 p.m. (PT), the Referee ruled that -- in view of the above-
4 referenced facts and circumstances, and good cause appearing -- the stipulated and ordered
5 telephonic hearing on the Motion would go forward, and the Referee made the following ruling
6 and order concerning the Motion during the hearing which lasted until approximately 5:45 p.m.
7 (PT).

8 Based on careful consideration of the papers submitted by Petitioner and Mr. Knight in
9 support of and in opposition to Petitioner's motion to compel Mr. Knight to produce, without
10 objection, all documents responsive to Petitioner's First Set of Requests for Production of
11 Documents ("document request") and, after a hearing and good cause appearing, it is hereby
12 ORDERED as follows. Petitioner's motion to compel is granted as to the production of all
13 documents requested to be produced by Mr. Knight in Petitioner's document request. Mr.
14 Knight is hereby ordered to produce, without objection, all documents in his possession, custody
15 and/or control which are responsive to Petitioner's document request, immediately prior to the
16 commencement of the taking of Mr. Knight's ordered deposition on Tuesday, January 10, 2006
17 at 10:00 a.m., at JAMS, 707 Wilshire Boulevard, 46th Floor, Los Angeles, California 90017.
18 Petitioner's request for monetary sanctions in connection with the Motion is reserved.

19 Immediately prior to the conclusion of the hearing on the Motion, the Referee requested
20 that Petitioner's counsel prepare, submit to the Referee and disseminate to all participants in the
21 discovery reference, including the Wasserman Comden firm, a proposed form of order for the
22 Referee's review and signature, reflecting the Referee's rulings and orders made during the
23 hearing on the Motion.

24 DATED: January 6, 2006

25 
STEPHEN E. HABERFELD
26 Discovery Referee
27
28

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PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 707 Wilshire Blvd. 46th Floor, Los Angeles, CA 90017.

On January 6, 2006, I served the foregoing document described as REFEREE'S ORDER GRANTING PETITIONER'S MOTION TO COMPEL MARION H. "SUGER" KNIGHT TO PRODUCE DOCUMENTS RESPONSIVE TO PETITIONER'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS in the matter of MICHAEL RAY HARRIS V. LYDIA HARRIS to interested parties in this action, as follows:

ORIGINAL FILED TO: (Via fax & mail)

Hon. Adrienne Grover
Monterey Courthouse
1200 Aguajito Road
Courtroom #13
Monterey, CA 93940
Fax: 831-647-5897

(SEE ATTACHED SERVICE LIST)

(X) BY MAIL: as follows: I am "readily familiar" with the firm's practice of collection and processing of correspondence for mailing with the United States Postal Service. I know that the correspondence was deposited with the United States Postal Service on the same day this declaration was executed in the ordinary course of business. I know that the envelope was sealed and, with postage thereon fully prepaid, placed for collection and mailing on this date in the United States mail at Los Angeles, California.

(X) BY FACSIMILE TRANSMISSION: I caused the above-referenced document(s) to be transmitted to the above-named person(s) at the telecopy numbers on the attached list..

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on January 6, 2006.

Geraldine C. Yulo
Geraldine C. Yulo

-1/-

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CA001 - JAMS, Inc. Service List



1/6/2006

Reference #: 1220034123
Case Name: Harris, Michael Ray vs. Harris, Lydia
Case Type: FAMI
Referring Judge:
Panelist: Haberfeld, Stephen E.,

2 Goldberg, Steven M.
Steven M. Goldberg (Active)
Russ, August & Kabat PETI Petitioner
12424 Wilshire Blvd. Main Phone # 310-826-7474
Suite 1200 Direct Phone #
Los Angeles, CA 90025 FAX # 310-826-6991
sgoldberg@raklaw.com
Party Represented:
Michael Ray Harris

3 Givens, Dermot
Dermot Givens (Active)
L/O Dermot Givens RESP Respondent
433 Camden Dr. Main Phone # 310-854-8823
Suite 600 Direct Phone #
Beverly Hills, CA 90210 FAX # 323-878-0416
dermotg@aol.com
Party Represented:
Marion Knight
Death Row Records Inc.

4 Crawford, Debra Vanhman
Debra Vanhman Crawford (Active)
Crawford & Crawford RESP Respondent
P.O. Box 373 Main Phone # 311-624-2422
SW Mission & 4th Direct Phone #
Carmel, CA 93921 FAX # 311-624-2428
Debra@Divo-ca-123.com
Party Represented:
Lydia Harris

5 Goldman, Dan
Dan Goldman (Active)
Russ, August & Kabat PETI Petitioner
12424 Wilshire Blvd. Main Phone # 310-826-7474
Suite 1200 Direct Phone #
Los Angeles, CA 90025 FAX # 310-826-6991
dwgoldman@raklaw.com
Party Represented:
Michael Ray Harris

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CA001 - JAMS, Inc. Service List



1/6/2006

6 Comden, Leonard J. THE RESOLUTION EXPERTS
Leonard J. Comden (Active)
Wasserman, Comden, Casselman & Pearson RESP Respondent
5567 Reseda Blvd., Suite 330 Main Phone # 818-705-6800
PO Box 7033 Direct Phone #
Tarzana, CA 91357-7033 FAX # 818-345-0162
lcomden@wacplaw.com
Party Represented:
Wasserman, Comden, Casselman & Pearson

-13-

00078

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P. 1

z z z Transmission Result Report (MemoryTX) (Jan. 6. 2006 2:49PM) z z z

33

Date/Time: Jan. 6. 2006 2:13PM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
4540 Memory TX	18315475891 - REFUSED TO CANT	P. 7	E-3) 3)	P. 1-7
	Judge Haberfeld		OK	
	13108266991		OK	
	13238780416 - CORRECT # GIVENS		E-2) 2) 2) 2) 2)	P. 1-7
	18316242428 - CRAWFORD		E-3) 3)	P. 1-7
	13108266991		OK	
	18183450162		OK	

Reason for error:
E. 3) Hang up or line fail
E. 3) No answer

E. 2) Busy
E. 4) No facsimile connection



January 6, 2006

Final Page: 7
STAPAX-11187-MT

Kim, Allison Owsen
Memory Conference
1500 Alameda Road
Crestmont, CA 93704
Phone: 415-947-0397

To: Hon. Michael Rye, Hon. Stephen
Chen, Hon. (313)
JAMS-2200454131

Dear Judge Chen:

A check of the JAMS website indicates that the Order for your review and

is being filed and mailed to you and all counsel.

Thank you for your attention. Please feel free to contact me should you have any

questions at 415-947-0397.

Sincerely,

Kim, Allison Owsen
St. Clair, Michigan
Judge Stephen Michael, (Honorary Reviewer)
2200454131

cc: all counsel

-14-

00079

PROOF OF SERVICE

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 12424 Wilshire Boulevard, 12th Floor, Los Angeles, California 90025.

On May 4, 2006 I caused to be served the foregoing document described as
PROOF OF CLAIM on interested parties in this action

- ☒ by placing true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list.
☐ by placing ☐ the original ☐ a true copy thereof enclosed in sealed envelopes addressed as follows:

SERVICE NAME/ADDRESS

☒ BY MAIL

☐ I deposited such in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

☒ As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☒ Federal: I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on May 4, 2006 at Los Angeles, California.


NICOLE JONES

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
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SERVICE LIST

Daniel McCarthy, Esq. *Attorney for Debtor, Marion H. Knight,*
Hill, Farrer & Burrill LLP *Jr.*
300 S. Grand Avenue, 37th floor
Los Angeles, CA 90071

Marion H. Knight, Jr. *Debtor*
PO Box 3037
Beverly Hills, CA 90212

Alvin Mar, Esq. *Trustee*
Office of the US Trustee
725 S. Figueroa Street, 26th floor
Los Angeles, CA 90017

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EXHIBIT 4

00082

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
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Form B10 (Official Form 10) (10/05)	
United States Bankruptcy Court Central District of California	
PROOF OF CLAIM	
Name of Debtor Marion Knight, Jr. aka Suge Knight	Case Number LA 06-11187-EC
<small>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</small>	
Name of Creditor (The person or other entity to whom the debtor owes money or property): Wasserman, Comden & Casselman, L.L.P.	<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Name and address where notices should be sent: Wasserman, Comden & Casselman, L.L.P. C/O David B. Casselman 5567 Reseda Boulevard, Suite 330 Tarzana, CA 91357-7033 Telephone number: (818) 705-6800; Facsimile (818) 345-0162	<input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
FILED OCT 31 2006 CLERK, U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA Deputy Clerk	
This space is for Court use only.	
Last four digits of account or other number by which creditor identifies debtor:	Check here <input type="checkbox"/> replaces if this claim <input type="checkbox"/> amends a previously filed claim, dated: _____
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other See Attachment _____	<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Last four digits of your Social Security number: _____ Unpaid compensation for services performed from _____ (date) to _____ (date)
2. Date debt was incurred:	3. If court judgment, date obtained: March 9, 2005
4. Total Amount of Claim at Time Case Filed: \$ 60,418,315.00 (unsecured) (secured) (priority) (Total) If all or part of your claim is secured or entitled to priority, also complete item 5 or 7 below. *See attachment for additional claims against Debtor. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges. See Attachment for Details.	In an event not less than \$ 60,418,315.00*
5. Secured Claim. <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____	7. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim, all or part of which is entitled to priority. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries or commissions (up to \$10,000),* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Domestic support obligations under - 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). *Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment. \$10,000 and 180-day limits apply to cases filed on or after 4/20/05. Pub. L. 109-8
6. Unsecured Nonpriority Claim. \$ _____ <input type="checkbox"/> Check this box if (a) there is no collateral or lien securing your claim, or (b) your claim exceeds the value of the property securing it or (c) none or only part of your claim is entitled to priority.	
8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.	This space is for Court use only.
9. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.	
10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.	
Date 10/30/06	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): David B. Casselman
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.	

ORIGINAL

00083

ATTACHMENT TO PROOF OF CLAIM
FILED BY WASSERMAN, COMDEN & CASSELMAN, L.L.P.

Wasserman, Comden & Casselman, L.L.P. ("Wasserman") has the followings claims against the Debtor:¹

- (1) Contingency Fee & Reimbursement of Expenses Arising out of Harris Judgment. Wasserman has a pending state court action (the "Wasserman Action") against, among others, Marion H. Knight *aka* Suge Knight ("Mr. Knight"), and Death Row Records, Inc. ("Death Row" and collectively, with Mr. Knight, the "Debtors"). The Wasserman Action was commenced on September 21, 2005 by the filing of a complaint in the Superior Court of the State of California for the County of Los Angeles - Central District (the "State Court"), styled Wasserman, Comden & Casselman, L.L.P. v. Lydia Harris; Lifestyle Records, Inc.; New Image Media Corp.; Marion H. Knight, aka Suge Knight; Death Row Records, Inc.; Death Row Records, L.L.C.; Tha Row, Inc.; Dermot Givens; Kevin Gilliam aka Battlecat; and Does 1 through 100, inclusive and bearing case number BC 308790.² The Wasserman Action arises out of Wasserman's representation³ of the Harris Parties in that certain action (the "Harris Action") commenced by the Harris Parties against, among others, Mr. Knight and Death Row. On March 9, 2006, Judgment was entered in the Harris Action in favor of Lydia Harris and New Image Media Corp. ("New Image") against the Debtors in the sum of \$107 million, which included \$60 million in punitive damages (the "Harris Judgment"). Wasserman is entitled to its 40% contingency fee on any recovery, as well as reimbursement for all out of pocket expenses. To the extent the Harris Parties have any claim against this estate, Wasserman is entitled to be paid directly from the Debtor's estate for its 40% contingency fee and related reimbursement of expenses.
- (2) Direct Claims Against the Debtors. On or about May 19, 2005, after the Harris Judgment was entered and after all appeals had been waived, Lydia terminated Wasserman as her attorney. In response and also on May 19, 2005, Wasserman filed and served on the Harris Parties and the Debtors a Notice of Attorney Lien (the "Attorney Lien Notice") equal to 40% of any and all gross recovery, payments or consideration of any kind or nature paid or transferred in satisfaction

¹ Wasserman reserves the right to supplement its claim.

² A true and correct copy of the First Amended Complaint filed by Wasserman in the Wasserman Action (the "First Amended Complaint") is annexed hereto.

³ On or about January 25, 2002, Wasserman, on the one hand, and Lydia Harris, New Image Entertainment, Inc., and Lifestyle Records, Inc. (the "Harris Parties"), on the other hand, entered into a written Contingency Fee Agreement (the "Contingency Fee Agreement") pursuant to which Wasserman agreed to represent the Harris Parties in connection with liability claims against, among others, the Debtors. Pursuant to the Contingency Fee Agreement, Wasserman is entitled to a forty-percent (40%) contingency fee on any recovery, as well as reimbursement of all reasonable out of pocket litigation costs and expenses.

of the Harris Judgment (40% of \$107 million, plus interest accruing at the rate of \$29,315.00 day), plus costs of \$213,890.27.⁴ Despite the Contingency Fee Agreement, Lydia and the Debtors secretly negotiated during the time she was represented by Wasserman and purportedly entered into a settlement agreement pursuant to which the Harris Judgment would be resolved. The Debtors and the Harris Parties are currently litigating over this purported settlement. However, it is undisputed that, despite signature of the Contingency Fee Agreement by Lydia and receipt of the Attorney Lien Notice by Lydia and the Debtors, the Debtors and/or related entities paid to Lydia the sum of at least \$1 million⁵ without acknowledging Wasserman's lien rights, or reserving any of the funds paid to Lydia to satisfy Wasserman's lien. Lydia refused to voluntarily pay any portion of the \$1 million to Wasserman, or even to reimburse Wasserman's actual costs, which were in excess of \$200,000. The Debtors, who had full knowledge of Wasserman's Attorney Lien Notice, proceeded to pay Lydia the \$1 million purported settlement payment. As set forth more fully in the First Amended Complaint filed in the Wasserman Action, Wasserman has alleged the following causes of action against the Harris Parties and the Debtors: (1) breach of contract of the Contingency Fee Agreement; (2) quantum meruit based on the actual legal services provided by Wasserman to the Harris Parties; (3) for money had and received; (4) an accounting of any and all gross recovery, payments or consideration of any kind paid or transferred in satisfaction, whole or part, of the Harris Judgment; (5) interference with contract based on, among others, the Debtors' conspiracy to deprive Wasserman of its lien rights; (6) an equitable assignment of 40% of the Harris Judgment and/or 40% of any settlement or other recoveries obtained by or on behalf of the Harris Parties; and (7) declaratory relief that Wasserman may recover judgment against the Debtors and their related entities and alter egos in the sum of 40% of the Harris Judgment, plus interest at the rate of \$29,315 per day from March 9, 2005.

⁴ A true and correct copy of the Attorney Lien Notice is attached as Exhibit "C" to the First Amended Complaint.

⁵ Since the payment of the \$1 million, Lydia and the Debtors have disagreed on whether that payment effectuated a full or partial payment under the purported settlement agreement, or whether a meeting of the minds occurred at all, so as to create a binding settlement agreement.

Case 2:06-bk-11187-VZ Doc 524-1 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 45 of 55

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24

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

APR 04 2006

John A. Clarke, Executive Officer/Clerk
By A E LA FLEUR-CLAYTON, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

WASSERMAN, COMDEN,
CASSELMAN & PEARSON, L.L.P.,

Plaintiff,

v.

LYDIA HARRIS; LIFESTYLE
RECORDS, INC., NEW IMAGE MEDIA
CORP.; MARION H. KNIGHT, aka SUGE
KNIGHT; DEATH ROW RECORDS,
INC.; DEATH ROW RECORDS, L.L.C.;
THA ROW, INC.; DERMOT GIVENS;
KEVIN GILLIAM aka BATTLECAT;
AND DOES 1 through 100, Inclusive,

Defendants.

Case No. BC 340196

[Assigned to Judge Ronald M. Sohigian,
Dept. 41]

FIRST AMENDED COMPLAINT

Complaint Filed: September 21, 2005
Trial Date: April 17, 2006

GENERAL ALLEGATIONS

1. Plaintiff, WASSERMAN, COMDEN, CASSELMAN & PEARSON, L.L.P.
(hereinafter "WCCP") is a limited liability partnership organized and existing under the
laws of the State of California with its principal place of business in Tarzana, California.

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12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT
14

15 WASSERMAN, COMDEN,
CASSELMAN & PEARSON, L.L.P.,

16 Plaintiff,

17 v.

18 LYDIA HARRIS; LIFESTYLE
RECORDS, INC.; NEW IMAGE MEDIA
19 CORP.; MARION H. KNIGHT, aka SUGE
KNIGHT; DEATH ROW RECORDS,
20 INC.; DEATH ROW RECORDS, L.L.C.;
THA ROW, INC.; DERMOT GIVENS;
21 KEVIN GILLIAM aka BATTLECAT;
AND DOES 1 through 100, Inclusive,

22 Defendants.
23

Case No. BC 340196

[Assigned to Judge Ronald M. Sohigian,
Dept. 41]

FIRST AMENDED COMPLAINT

Complaint Filed: September 21, 2005
Trial Date: April 17, 2006

24 GENERAL ALLEGATIONS

25 1. Plaintiff, WASSERMAN, COMDEN, CASSELMAN & PEARSON, L.L.P.
26 (hereinafter "WCCP") is a limited liability partnership organized and existing under the
27 laws of the State of California with its principal place of business in Tarzana, California.
28

1 The law firm of Wasserman, Comden, Casselman & Pearson, L.L.P., changed its name
2 effective January 1, 2006. It is now known as Wasserman, Comden & Casselman, L.L.P.

3 2. Defendants LYDIA HARRIS (hereinafter "HARRIS"), MARION H.
4 KNIGHT, aka SUGE KNIGHT (hereinafter "KNIGHT"), DERMOT GIVENS (hereinafter
5 "GIVENS") and KEVIN GILLIAM aka BATTLECAT (hereinafter "GILLIAM") are
6 individuals who, at all material times resided in Los Angeles County, California.

7 3. Plaintiff is informed and believes and thereon alleges that the remaining
8 defendants, LIFESTYLE RECORDS, INC., NEW IMAGE MEDIA CORP., DEATH
9 ROW RECORDS, INC., DEATH ROW RECORDS, L.L.C., and THA ROW, INC. are
10 business entities who were or are authorized to transact business in the State of California.

11 4. Plaintiff is ignorant of the true names and capacities of defendants sued
12 herein as Does 1 through 100 and therefore sues these defendants by such fictitious names.
13 Plaintiff will amend this pleading to allege the true names and capacities of such Does
14 when ascertained. The conduct of Does I through 100 proximately caused damages to
15 plaintiff as alleged herein. DOES 1 through 25 are the alter egos of LYDIA HARRIS,
16 LIFESTYLE RECORDS, INC. and NEW IMAGE MEDIA CORP. (hereinafter "The
17 HARRIS Defendants"). DOES 26 through 50 are the alter egos of MARION H. KNIGHT,
18 aka SUGE KNIGHT and DEATH ROW RECORDS, INC. (hereinafter "The KNIGHT
19 Defendants"). DOES 51 through 75 are the alter egos of GILLIAM. Does 76-100 are the
20 persons and entities that knowingly interfered with plaintiffs contractual lien rights.

21 5. On or about January 25, 2002, plaintiff and defendant HARRIS entered into
22 a written Contingency Fee Agreement in Los Angeles County, California whereby plaintiff
23 agreed to represent HARRIS in connection with liability claims against MARION H.
24 KNIGHT, aka SUGE KNIGHT and his related entity DEATH ROW RECORDS, INC. and
25 in connection with liability claims against GILLIAM. A copy of that written retainer
26 agreement is attached as Exhibit F, and is incorporated herein by this reference.

27 6. Some of the material terms of the Contingency Fee Agreement include that
28 WCCP was authorized to incur reasonable costs and expenses in performing legal services

1 and that "[HARRIS] agrees to reimburse [WCCP] for such costs and expenses in addition
2 to the contingency fee. . ."

3 7. HARRIS discussed and agreed to a forty percent (40%) contingency fee and
4 acknowledged that the fee arrangement was fair and reasonable.

5 8. HARRIS specifically negotiated a contingency fee arrangement and agreed
6 to allow a lien upon any recovery for payment of attorneys' fees, "to secure payment to
7 Attorney of all sums due under this Agreement for services rendered or costs advanced,
8 Client hereby grants Attorney a lien on Client's claim and any cause of action or lawsuit
9 filed thereon, and to any recovery Client may obtain, whether by settlement, judgment or
10 otherwise."

11 9. Plaintiff has performed all conditions, covenants and promises of the
12 Agreement, and represented HARRIS vigorously and competently in her litigation against
13 the KNIGHT Defendants. On February 26, 2002, plaintiff prepared and filed a complaint
14 for damages on behalf of The HARRIS Defendants, Los Angeles Superior Court Case
15 Number BC268857.

16 10. Plaintiff prosecuted the HARRIS lawsuit from February 26, 2002, through
17 March 9, 2005 when the Court entered a money judgment in favor of HARRIS and her
18 related business entity NEW IMAGE MEDIA CORP. and against The KNIGHT
19 Defendants in the sum of \$107 million (\$45 million for economic damages, \$2 million for
20 non-economic damages and \$60 million for punitive damages). A copy of the Judgment is
21 attached hereto and incorporated herein by reference as Exhibit A. In addition, on March
22 26, 2004, the Court entered judgment in favor of HARRIS and her related business entity
23 NEW IMAGE MEDIA CORP. and against GILLIAM in the sum of \$760,000 plus interest
24 (attached as Exhibit C).

25 11. On or about May 19, 2005, HARRIS discharged plaintiff as her attorney. On
26 or about May 20, 2005, HARRIS filed a Substitution of Attorney with the Court indicating
27 that she was representing herself.

1 12. On May 19, 2005, plaintiff filed and served on defendants a Notice of
2 Attorney Lien equal to forty percent (40%) of any and all gross recovery, payments or
3 consideration of any kind or nature paid or transferred in satisfaction, in whole or in part,
4 of the Judgment against KNIGHT, et al., entered in LASC Case No. BC268857 (40% of
5 \$107 million, plus interest accruing at the rate of \$29,315.00 per day), plus costs expended
6 in the sum of \$213,890.27. (Exhibit C.) On September 9, 2005, plaintiff filed and served
7 on GILLIAM a Notice of Lien in the sum of \$304,000.00 plus interest. (Exhibit D.)

8 13. On June 17, 2005, HARRIS filed with the Court a "Notice of Settlement"
9 which represents that HARRIS and KNIGHT had agreed to a conditional settlement on
10 "specified terms that are not to be performed within 45 days of the settlement." The Notice
11 states that a Request for Dismissal will be filed no later than May 27, 2005 (40 days
12 earlier). By the terms of the "Notice of Settlement," the negotiations and settlement itself
13 occurred before a Substitution of Attorney was filed. None of the defendants notified
14 plaintiff of any such negotiations or settlement and the defendants have, affirmatively
15 concealed the fact of such negotiations and the settlement terms.

16 14. It was reported on August 29, 2005 in the Los Angeles Times that HARRIS
17 has received the sum of \$1.2 million as a result of the lawsuit. A "settlement" in the sum
18 of \$1 million is reported by counsel for KNIGHT in this action. Plaintiff has received no
19 compensation for professional services rendered.

20 15. Plaintiff has requested and defendants have refused to disclose the material
21 terms of the settlement or make any payment to the plaintiff. Plaintiff is informed and
22 believes and thereon alleges that HARRIS and The KNIGHT Defendants conspired to
23 conceal the true terms of any settlement agreement (if any), and the true sum(s) of any
24 payment(s) from plaintiff, and that the defendants willfully and intentionally executed one
25 or more settlement agreements, all in disregard of plaintiff's valid lien rights. Plaintiff is
26 informed and believes and thereon alleges that HARRIS and The KNIGHT Defendants
27 deliberately chose not to file a Partial Satisfaction of Judgment in order to conceal the
28 material terms of the settlement from plaintiff.

1 16. Plaintiff is informed, and thereon alleges, that HARRIS negotiated a secret
2 settlement agreement with the KNIGHT defendants that resulted in HARRIS being paid at
3 least \$1 million by the KNIGHT defendants. (HARRIS and the KNIGHT Defendants have
4 since disagreed on whether that payment effectuated a full or partial payment under their
5 settlement agreement, or whether a meeting of the minds occurred at all, so as to create a
6 binding settlement agreement. Both parties have admitted that the \$1 million was
7 transferred from the KNIGHT Defendants to HARRIS to satisfy, in full or in part, the
8 Judgment.) HARRIS claims, or has claimed, that she, through other counsel, Dermot
9 Damien Givens, negotiated a purported settlement with the KNIGHT Defendants that
10 would result in the KNIGHT Defendants paying her consideration including, among other
11 things, the greater of \$5.8 million paid to her annually on a specified date over five years,
12 or the income generated from certain specified songs or intellectual properties owned by
13 the KNIGHT Defendants.

14 17. On further information and belief, plaintiff alleges that HARRIS has
15 received other sums and assets from the KNIGHT Defendants, in partial satisfaction of the
16 Judgment, the value of which is subject to proof at trial but which is believed to total not
17 less than \$2 million. Accordingly, plaintiff claims damage against HARRIS in the sum of
18 40 percent of any gross recoveries she obtained, or may obtain in the future, from all or
19 any of the KNIGHT Defendants.

20 18. As a result of this, plaintiff has been damaged by HARRIS' failure and
21 refusal to pay for all or part the attorneys' fees called for in the Retainer Agreement,
22 including but not limited to payment of forty percent (40%) of any and all gross recovery,
23 payments or consideration of any kind paid to HARRIS to date. Other defendants have
24 similarly caused damage by failing and refusing to acknowledge plaintiff's lien rights, or
25 to actually pay or reserve any of the funds paid to HARRIS to satisfy the lien for attorneys'
26 services properly put into place by plaintiff.

27

28

FIRST CAUSE OF ACTION FOR BREACH OF CONTRACT
(Against Lydia Harris, Lifestyle Records, Inc., New Image Media Corp. and
Does 1 through 25, Inclusive)

19. Plaintiff incorporates by this reference all allegations and facts alleged in paragraphs 1 through 18, above:

20. On or about January 25, 2002, plaintiff and defendant HARRIS entered into a written Contingency Fee Agreement in Los Angeles County, California whereby plaintiff agreed to represent HARRIS in connection with liability claims against MARION H. KNIGHT, aka SUGE KNIGHT and his related entity DEATH ROW RECORDS, INC, and in connection with liability claims against GILLIAM. A copy of that written retainer agreement, attached as Exhibit F, is incorporated herein in full by this reference.

21. Some of the material terms of the Contingency Fee Agreement include that WCCP is authorized to incur reasonable costs and expenses in performing legal services and that "[HARRIS] agrees to reimburse [WCCP] for such costs and expenses in addition to the contingency fee. . ." The contingency fee negotiated by HARRIS was for forty percent (40%); HARRIS acknowledged that the fee arrangement is fair and reasonable.

22. The Contingency Fee Agreement negotiated by HARRIS further specifically included language granting plaintiff a lien upon any recovery, for payment of plaintiff's attorneys' fees, "to secure payment to Attorney of all sums due under this Agreement for services rendered or costs advanced, Client hereby grants Attorney a lien on Client's claim and any cause of action or lawsuit filed thereon, and to any recovery Client may obtain, whether by settlement, judgment or otherwise."

23. Plaintiff has performed all conditions, covenants and promises of the Agreement. On February 26, 2002, plaintiff prepared and filed a complaint for damages on behalf of The HARRIS Defendants, Los Angeles Superior Court Case Number BC268857.

24. Plaintiff prosecuted the HARRIS lawsuit from February 26, 2002 through March 9, 2005 when the Court entered a money judgment in favor of HARRIS and her

1 related business entity NEW IMAGE MEDIA CORP. and against The KNIGHT
2 Defendants in the sum of \$107 million (\$45 million for economic damages, \$2 million for
3 non-economic damages and \$60 million for punitive damages). A copy of the Judgment is
4 attached hereto and incorporated herein by reference as Exhibit A. In addition, on March
5 26, 2004, the Court entered judgment in favor of HARRIS and her related business entity
6 NEW IMAGE MEDIA CORP. and against GILLIAM in the sum of \$760,000 plus interest.
7 (Exhibit B.)

8 25. On or about May 19, 2005, HARRIS discharged plaintiff as her attorney. On
9 or about May 20, 2005, HARRIS filed a Substitution of Attorney with the Court indicating
10 that she was representing herself.

11 26. On May 19, 2005, plaintiff filed and served on defendants a Notice of
12 Attorney Lien equal to forty percent (40%) of any and all gross recovery, payments or
13 consideration of any kind or nature paid or transferred in satisfaction, in whole or in part,
14 of the Judgment against KNIGHT, et al., entered in LASC Case No. BC268857 (40% of
15 \$107 million plus interest accruing at the rate of \$29,315.00 per day) plus costs expended
16 in the sum of \$213,890.27. (Exhibit C.) On September 9, 2005, plaintiff filed and served
17 on GILLIAM a Notice of Lien in the sum of \$304,000.00 plus interest. (Exhibit D.)

18 27. On June 17, 2005, HARRIS filed with the Court a "Notice of Settlement".
19 which represents that HARRIS and KNIGHT had agreed to a conditional settlement on
20 "specified terms that are not to be performed within 45 days of the settlement." The
21 Notice states that a Request for Dismissal will be filed no later than May 27, 2005 (40 days
22 earlier). By the terms of the "Notice of Settlement," the negotiations and settlement itself
23 occurred before a Substitution of Attorney was filed. None of the defendants notified
24 plaintiff of any such negotiations or settlement and the defendants have, affirmatively
25 concealed the fact of such negotiations and the settlement terms.

26 28. The HARRIS Defendants have breached the material terms of the
27 Contingency Fee Agreement by, among other things, failing and refusing to pay plaintiff
28 for professional legal services rendered on her behalf.

1 29. As a result of HARRIS' breach of contract, plaintiff has been damaged by
2 HARRIS' failure and refusal to pay for all or part the attorneys' fees called for in the
3 Retainer Agreement, including but not limited to payment of forty percent (40%) of any
4 and all gross recovery, payments or consideration of any kind paid to HARRIS to date.

5 30. Plaintiff is informed, and thereon alleges, that its damages include, but are
6 not limited to, HARRIS's failure and refusal to pay anything at all to plaintiff out of the \$1
7 million secret purported settlement paid by or through the KNIGHT Defendants to
8 HARRIS in or about June 2005. Refusal to pay any sum at all to the plaintiff out of that \$1
9 million violates plaintiff's lien rights, and is a breach of HARRIS' Retainer Fee
10 Agreement with plaintiff. No other payments have been made by HARRIS to plaintiff
11 from any other payments or transfers made to HARRIS by or on behalf of the KNIGHT
12 Defendants (if any), in further violation of plaintiff's lien rights and in further breach of
13 HARRIS' Retainer Fee Agreement with plaintiff.

14 SECOND CAUSE OF ACTION

15 QUANTUM MERUIT

16 (Plaintiff vs. The HARRIS Defendants and DOES 1 Through 25, Inclusive)

17 31. Plaintiff incorporates herein by reference paragraphs 1 through 18 of this
18 First Amended Complaint as though fully set forth herein.

19 32. Within the past two years, plaintiff rendered legal services to The HARRIS
20 Defendants and incurred costs in connection with those legal services at the special request
21 of the HARRIS Defendants. The HARRIS Defendants promised to pay plaintiff for those
22 legal services and costs. Neither the HARRIS Defendants nor plaintiff reasonably
23 expected or believed that plaintiff would provide legal services, and prepay legal costs, on
24 behalf of the HARRIS Defendants for no compensation at all.

25 33. Upon plaintiff's information and belief, the reasonable value of the services
26 and unpaid costs incurred by plaintiff for the benefit of The HARRIS Defendants may
27 exceed \$10 million.
28

Plaintiff has repeatedly demanded from the HARRIS Defendants information
concerning any purported settlement with The KNIGHT Defendants, or the receipt
of payments from or on behalf of the KNIGHT Defendants. The HARRIS
Defendants have refused and continue to refuse to provide completely and accurately
any such information, or pay any sums for the reasonable value of professional
services rendered on behalf of HARRIS.**THIRD CAUSE OF ACTION**

FOR MONEY HAD AND RECEIVED

(Plaintiff vs. The HARRIS Defendants and DOES 1 Through 25, Inclusive)

35. Plaintiff incorporates herein by reference paragraphs 1 through 18 of this
First Amended Complaint as though fully set forth herein.

36. Plaintiff is informed and believes and thereon alleges that as a proximate
result of professional legal services performed by plaintiff on behalf of The HARRIS
Defendants, The HARRIS Defendants received payments or other consideration in full or
partial satisfaction of the \$107 million judgment against The KNIGHT Defendants.

37. In equity and in good conscience, forty percent (40%) of any recovery to
HARRIS should be paid to plaintiff.

38. The HARRIS Defendants have refused to pay anything to plaintiff for the
attorneys' fees it incurred, in good faith, on her behalf, and in reliance on HARRIS'
written promise to pay plaintiff forty (40) percent of any recovery she obtained against the
KNIGHT Defendants. One or more of The HARRIS Defendants received a sum of money
from or on behalf of the KNIGHT Defendants, in full or partial satisfaction of the
Judgment; upon information and belief, plaintiff contends that this sum was at least \$1
million. HARRIS, the KNIGHT Defendants, and Dermot Damien Givens concede that at
least \$1 million was paid by or on behalf of the KNIGHT Defendants to HARRIS, and that
no notice of that settlement or payment was given to plaintiff. No fees have been paid to
plaintiff from any other transfer of money or assets to or on behalf of the HARRIS
Defendants by or on behalf of the KNIGHT Defendants, with the actual knowledge and
assistance of their attorney, Dermot Damien Givens, in full or partial satisfaction of the

1 Judgment. The HARRIS Defendants have instead concealed the terms of any purported
2 settlement with the KNIGHT Defendants from plaintiff, or has hidden the fact of payments
3 made to or on behalf of the HARRIS Defendants from or on behalf of the KNIGHT
4 Defendants.

5
6 **FOURTH CAUSE OF ACTION**

7 **FOR AN ACCOUNTING**

8 **(Plaintiff vs. All Defendants)**

9 39. Plaintiff incorporates herein by reference paragraphs 1 through 18, and 36
10 through 38 of this First Amended Complaint as though fully set forth herein.

11 40. Plaintiff has demanded an accounting of any and all gross recovery,
12 payments or consideration of any kind or nature paid or transferred in satisfaction, in
13 whole or in part, of the Judgment entered in LASC Case No. BC268857. The defendants,
14 and each of them, have refused to provide any accounting of the consideration agreed to or
15 paid. Plaintiff therefore now requests that this court order a full and complete accounting
16 of all sums or assets received by or on behalf of any of The HARRIS Defendants, or any of
17 their agents or persons acting on their behalf, from or on behalf of any of the KNIGHT
18 Defendants, or from any other entity or source, in partial or full satisfaction of the
19 Judgment.

20
21 **FIFTH CAUSE OF ACTION**

22 **INTERFERENCE WITH CONTRACT**

23 **(Plaintiff vs. The KNIGHT Defendants, THA ROW RECORDS, LLC,**

24 **THA ROW, INC., DERMOT GIVENS and DOES 26 Through 100, Inclusive)**

25 41. Plaintiff incorporates herein by reference paragraphs 1 through 18 of this
26 First Amended Complaint as though fully set forth herein.

27 42. Defendants MARION H. KNIGHT, aka SUGE KNIGHT, DEATH ROW
28 RECORDS, INC., DEATH ROW RECORDS, LLC, THA ROW, INC., DERMOT

1 GIVENS, LYDIA HARRIS, LIFESTYLE RECORDS, INC., NEW IMAGE MEDIA
2 CORP. and DOES 26 through 100 were served with notice of plaintiffs lien on May 19,
3 2005. Defendant GILLIAM and DOES 70 through 80 were served with Notice of Lien on
4 the GILLIAM Judgment on September 9, 2005. The defendants, and each of them, by and
5 through their authorized representatives, had actual knowledge of plaintiffs valid contract
6 and lien.

7 43. Plaintiff is informed and believes and thereon alleges that the judgment
8 debtors (The KNIGHT Defendants) and their attorney, DERMOT GIVENS, conspired
9 with HARRIS to deprive plaintiff of its lien rights. Plaintiff is informed and believes and
10 thereon alleges that The KNIGHT Defendants, DERMOT GIVENS and Does 26 through
11 100 caused payments or other consideration to be made to HARRIS pursuant to the
12 judgment without notice to plaintiff and without satisfying any portion of plaintiffs valid
13 lien. The Knight defendants and GIVENS made it more difficult, expensive or
14 burdensome to collect fees and costs which were earned. The Knight defendants and
15 GIVENS either intended to prevent Harris from performing her contractual obligations to
16 plaintiff or knew that collection of fees and costs would be more expensive or burdensome
17 as a result of their conduct.

18 44. The KNIGHT Defendants, GIVENS and Does 26 through 100 intentionally
19 interfered with plaintiffs valid contractual and/or equitable lien in an amount equal to the
20 payment or other consideration which has passed or will pass between KNIGHT and
21 GILLIAM on the one hand and HARRIS on the other hand.

22 45. Plaintiff is informed and believes and thereon alleges that The KNIGHT
23 Defendants have provided payments or other consideration to HARRIS with a value in
24 excess of \$2 million. Accordingly, plaintiff alleges that, to date, said defendants'
25 intentional interference with plaintiff's contractual lien rights has caused damage to
26 plaintiff in a sum exceeding \$1,013,890.27, or forty (40) percent of any actual payments
27 made by or on behalf of the KNIGHT Defendants to the HARRIS Defendants, plus
28 interest.

SIXTH CAUSE OF ACTION

FOR ORDER GRANTING EQUITABLE ASSIGNMENT OF JUDGMENTS

(Plaintiff vs. The KNIGHT Defendants, GILLIAM, Lydia Harris, and

DOES 1 Through 25

and DOES 50 through 75, Inclusive)

46. Plaintiff incorporates herein by reference paragraphs 1 through 18 and 36 through 38 of this First Amended Complaint as though fully set forth herein.

47. HARRIS discharged plaintiff without cause after entry of judgment in the sum of \$107 million against The KNIGHT Defendants.

48. Plaintiff is informed and believes and thereon alleges that HARRIS discharged plaintiff for the primary purpose of concealing payments and violating plaintiffs contractual right to collect a contingency fee based upon any recovery in the underlying lawsuit, as well as in violation of its rights as set forth in the May 19, 2005 Notice of Lien, as well as violating plaintiffs rights to a contingent fee from any recovery against GILLIAM.

49. Plaintiffs contract with HARRIS created a lien upon the recovery whether by settlement or judgment. By reason of the professional services rendered, plaintiff is an equitable assignee of the judgments or settlements to the extent of fees and costs which are due plaintiff for services. [*Siciliano v. Fireman's Fund Ins. Co.* (1976) 62 Cal.App.3d 745.]

50. Plaintiff is informed and believes and thereon alleges that it is entitled to an equitable assignment of forty (40) percent of the judgments against The KNIGHT Defendants and GILLIAM, and/or forty (40) percent of any settlement or other recoveries obtained by or on behalf of the HARRIS Defendants from or on behalf of the KNIGHT Defendants.

SEVENTH CAUSE OF ACTION FOR DECLARATORY RELIEF

(Plaintiff vs. All Defendants)

51. Plaintiff incorporates herein by reference paragraphs 1 through 18 and 36 through 38 of this First Amended Complaint as though fully set forth herein.

52. Plaintiff alleges that it has a valid lien on any and all recovery, payments, or consideration of any kind or nature paid in satisfaction of the judgment against The KNIGHT Defendants for forty percent (40%) of \$107 million plus interest at the rate of \$29,315.00 per day plus costs expended in the sum of \$213,890.27. Plaintiff alleges that it has a valid lien on any and all recovery, payments, or consideration of any kind or nature paid in satisfaction of the judgment against GILLIAM for forty percent (40%) of \$760,000.00 plus interest at the rate of \$208.22 per day plus costs as aforementioned. Plaintiff is informed and believes and thereon alleges that defendants contend that they had or have the right to disregard plaintiffs lien and that KNIGHT and/or GILLIAM can make payments in partial or total satisfaction of the judgment without paying anything to plaintiff. Plaintiff contends to the contrary:

53. Plaintiff contends that any settlement agreement between The KNIGHT Defendants and HARRIS and/or any settlement between GILLIAM and HARRIS is void to the extent that it purports to release, extinguish, impair or modify plaintiffs vested rights to recover forty percent (40%) of the judgment plus costs as reflected in the attorney liens served on May 19, 2005 and September 9, 2005.

54. Plaintiff is informed and believes and thereon alleges that defendants contend that they have, or had the right to disregard, impair, release, diminish or extinguish the lien rights of plaintiff.

55. Plaintiff contends that any agreement between the defendants that was made without the consent of plaintiff is a nullity as to plaintiff because any such agreement was a fraud upon plaintiff, was made with unclean hands and without any consideration to plaintiffs vested interests. Plaintiff is informed and believes and thereon alleges that defendants contend to the contrary.

1 56. Plaintiff requests a judicial declaration that plaintiff may recover judgment
2 against The KNIGHT Defendants and its related entities and alter egos in the sum of forty
3 percent (40%) of \$107 million plus interest at the rate of \$27,315.00 per day from March
4 9, 2005. Plaintiff also requests a judicial declaration that plaintiff may recover judgment
5 against GILLIAM in the sum of forty percent (40%) of \$760,000 plus interest at the rate of
6 \$208.22 per day from February 5, 2004.

7 WHEREFORE, plaintiff prays for judgment as follows:

8 1. For special damages in the sum of \$42,800,000.00 plus interest jointly and
9 severally against The HARRIS Defendants, The KNIGHT Defendants and DERMOT
10 GIVENS, or according to proof;

11 2. For special damages in the sum of \$304,000.00 plus interest from GILLIAM,
12 or according to proof, and

13 3. For a judgment assigning to plaintiff forty percent (40%) of the March 9,
14 2005 judgment against MARION H. KNIGHT and DEATH ROW RECORDS, INC.,
15 and/or;

16 4. For a judgment assigning to plaintiff forty percent (40%) of the March 26,
17 2004 judgment against GILLIAM. Further, plaintiff requests:

18 5. A judicial declaration that any agreement by and between the defendants
19 which purports to affect the rights of the plaintiff is void;

20 6. The imposition of a constructive trust upon any proceeds paid to The
21 HARRIS Defendants in satisfaction of the judgments;

22 7. An accounting, requiring the defendants to disclose to plaintiff the exact
23 arms of any and all settlement agreements reached between the defendants and any
24 consideration paid in satisfaction of the judgment;

25 8. A temporary restraining order, preliminary injunction and/or permanent
26 injunction freezing and/or attaching the assets of the defendants up to plaintiffs interest in
27 the underlying judgments;

28 9. Its costs of suit;

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 5 of 56.

1 10. Prejudgment interest, as provided by law; and

2 11. Such further relief which is just and proper.

3 Dated: April 3, 2006

HAIGHT BROWN & BONESTEEL LLP;
WASSERMAN, COMDEN &
CASSELMAN, L.L.P.

By: 

Peter Q. Ezzell
Nancy E. Lucas
Stephen M. Caine;
David B. Casselman
Leonard J. Comden
Attorneys for Plaintiff WASSERMAN,
COMDEN, CASSELMAN &
PEARSON, L.L.P.

LIST OF EXHIBITS

- A. Judgment in favor of HARRIS and NEW IMAGE MEDIA CORP. and against MARION H. KNIGHT, aka SUGE KNIGHT and DEATH ROW RECORDS, INC.
- B. March 26, 2004, Court judgment in favor of HARRIS and her related business entity NEW IMAGE MEDIA CORP. and against GILLIAM in the sum of \$760,000 plus interest.
- C. May 19, 2005 Notice of Attorney Lien equal to forty percent (40%) of any and all gross recovery, payments or consideration of any kind or nature paid or transferred in satisfaction, in whole or in part, of the Judgment against KNIGHT, et al. entered in LASC Case No. BC268857 (40% of \$107 million plus interest accruing at the rate of \$29,315.00 per day) plus costs expended in the sum of \$213,890.27.
- D. September 9, 2005 Notice of Attorney Lien filed September 9, 2005 in the sum of \$304,000.00, plus interest.
- E. Notice of Settlement, filed June 17, 2005.
- F. Contingency Fee Agreement.

PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.:
WASSERMAN v. LYDIA HARRIS; LIFESTYLE RECORDS
BC 340196

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 6080 Center Drive, Suite 800, Los Angeles, CA 90045-1574.

On April 3, 2006, I served on interested parties in said action the within:

FIRST AMENDED COMPLAINT

☒ (MAIL) by placing a true copy thereof in sealed envelope(s) addressed as stated on the attached service list.

I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 day after date of deposit for mailing in affidavit.

Executed on April 3, 2006, at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Theresa Welsch
(Type or print name)

(Signature)

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 8 of 56

1	MAILING LIST	
2	WASSERMAN v. LYDIA HARRIS; LIFESTYLE RECORDS	
3	BC 340196	
4	David B. Casselman	Gary S. Soter
5	Wasserman Comden, Casselman & Pearson	Pearson, Soter, Warshaw & Penny
6	5567 Reseda Blvd., #330	15165 Ventura Blvd., #400
7	Tarzana, CA 91357	Sherman Oaks, CA 91403
8		
9	Tel: 818-705-6800	Tel: 818-788-8300
10	Fax: 818-705-8634	Fax: 818-788-8104
11	hblum@wcclaw.com	gsoter@pswplaw.com
12		
13		
14	Kevin Gilliam	
15	1502 South Alpine Dr.	
16	West Covina, CA 91791	
17		
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PROOF OF SERVICE BY OVERNIGHT DELIVERY

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.:

WASSERMAN v. LYDIA HARRIS; LIFESTYLE RECORDS
BC 340196

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 6080 Center Drive, Suite 800, Los Angeles, CA 90045-1574.

On April 3, 2006, I served on interested parties in said action the within:

FIRST AMENDED COMPLAINT

I deposited in a box or other facility regularly maintained by Federal Express, an express service carrier, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document in sealed envelopes or packages designated by the express service carrier, addressed as stated on the attached service list, with fees for overnight delivery paid or provided for.

Executed on April 3, 2006, at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Theresa Welsch
(Type or print name)

(Signature)

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 10 of 56

MAILING LIST
WASSERMAN v. LYDIA HARRIS; LIFESTYLE RECORDS
BC 340196

3	Rex Julian Beaber 1546 Calmar Court Los Angeles, CA 90024	Dermot Damian Givens 433 North Camden Dr., #600 Beverly Hills, CA 90210
5	Tel: 557-1198 Fax:	Tel: 310-854-8823 Fax: 323-878-0416
6	<u>Xerxers@aol.com</u>	<u>dermotg@aol.com</u>
7	Debra V. Crawford P.O. Box 373, SW Mission & 4 th , #5 Carmel, CA 93921-0373	Steven M. Goldberg Russ, August & Kabat 12424 Wilshire Blvd., 12 th Floor Los Angeles, CA 90025
9	Tel: 831-624-2422 Fax: 831-624-2428	Tel: 310-979-8274 Fax: 310-826-6991
10	<u>ddvcrawford@earthlink.net</u>	
11	Laurence D. Strick Law Office of Laurence D. Strick 339 N. Sycamore Ave., #2 Los Angeles, CA 90036	Larry Nagelberg Nagelberg & Associates The Tower, Suite 2150 10940 Wilshire Blvd. Los Angeles, CA 90024
14	Tel: (323) 964-5231 Fax: (323) 964-8135	Tel: (310) 208-3220 Fax: (310) 208-3830
15	<u>larrystrick@yahoo.com</u>	

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 11 of 56

EXHIBIT A

00107

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 12 of 56

DAVID B. CASSELMAN (SBN 81657)
DONALD WEISSMAN (SBN 67980)
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5567 Reseda Boulevard, Suite 330
Post Office Box 7033
Tarzana, California 91357-7033
Telephone: (818) 705-6800 • (323) 872-0995
Facsimile: (818) 705-8147

FILED

APR 14 2005

JOHN A. CLARKE, CLERK
BY ELIZABETH MARTINEZ, DEPUTY

Attorneys for Plaintiffs
LYDIA HARRIS and NEW IMAGE MEDIA
CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

LYDIA HARRIS, LIFESTYLE
RECORDS, INC., AND NEW IMAGE
MEDIA CORP.,

Plaintiffs,

v.

KEVIN GILLIAM AKA BATTLECAT;
MARION H. KNIGHT AKA SUGE
KNIGHT; DEATH ROW RECORDS;
THA ROW, INC.; DAVID E. KENNER;
DAVID E. KENNER PROFESSIONAL
LAW CORPORATION; DAVID E.
KENNER, A PROFESSIONAL
CORPORATION; THE DAVID E.
KENNER TRUST; INTERSCOPE
RECORDS; JIMMY IOVINE; JOHN T.
MCCLAIN, JR.; A&M RECORDS; ET
AL.,

Defendants.

CASE NO. BC 268857

Case Assigned to:
Judge Ronald M. Sohigian - Dept. 41

[Complaint Filed: February 26, 2002]

NOTICE OF ENTRY OF JUDGMENT

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that pursuant to the Judgment dated March 9, 2005 (a true
and correct copy of which is attached hereto as Exhibit A), judgment was entered in the sum of
\$107,000,000.00, together with interest thereon at the rate of ten (10) percent per year from
March 9, 2005, in favor of LYDIA HARRIS and NEW IMAGE MEDIA CORP. and against

4/10/2005.1

NOTICE OF ENTRY OF JUDGMENT

00108

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 13 of 56

1 MARION H. KNIGHT, aka SUGE KNIGHT and DEATH ROW RECORDS.
2

3 DATED: April 13, 2005
4

WASSERMAN, COMDEN, CASSELMAN &
PEARSON L.L.P.

By: 

DONALD WEISSMAN

Attorneys for Plaintiffs
LYDIA HARRIS and NEW IMAGE MEDIA
CORPORATION
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WASSERMAN, COMDEN, CASSELMAN & PEARSON L.L.P.
8887 N. REDA BOULEVARD, SUITE 330
P.O. BOX 7033
TARZANA, CALIFORNIA 91377-7033

400205.1

NOTICE OF ENTRY OF JUDGMENT

00109

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 14 of 56

1 MARION H. KNIGHT, aka SUGE KNIGHT and DEATH ROW RECORDS.
2

3 DATED: April 13, 2005
4

WASSERMAN, COMDEN, CASSELMAN &
PEARSON LLP

By: 
5

DONALD WEISSMAN

Attorneys for Plaintiffs
LYDIA HARRIS and NEW IMAGE MEDIA
CORPORATION
6
7
8
9

WASSERMAN, COMDEN, CASSELMAN & PEARSON LLP
8887, REDWOOD BLVD., SUITE 200
TARZANA, CALIFORNIA 91377-7033
P.O. BOX 7033
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400205.1

NOTICE OF ENTRY OF JUDGMENT

00110

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 15 of 56

DAVID B. CASSELMAN (SBN 81657)
L DONALD WEISSMAN (SBN 67980)
WASSERMAN, COMDEN, CASSELMAN & PEARSON LLP
5567 Reseda Boulevard, Suite 330
Post Office Box 7033
Tarzana, California 91357-7033
Telephone: (818) 705-6800 • (323) 872-0995
Facsimile: (818) 705-8147

FILED

APR 14 2005

JOHN A. CLARKE, CLERK
E. Martinez
BY ELIZABETH MARTINEZ, DEPUTY

Attorneys for Plaintiffs
LYDIA HARRIS and NEW IMAGE MEDIA
CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

LYDIA HARRIS, LIFESTYLE
RECORDS, INC., AND NEW IMAGE
MEDIA CORP.,

CASE NO: BC 268857

Plaintiffs,

Case Assigned to:
Judge Ronald M. Sohigian - Dept. 41

v.

[Complaint Filed: February 26, 2002]

KEVIN GILLIAM AKA BATTLECAT;
MARION H. KNIGHT AKA SUGE
KNIGHT; DEATH ROW RECORDS;
THA ROW, INC.; DAVID E. KENNER;
DAVID E. KENNER PROFESSIONAL
LAW CORPORATION; DAVID E.
KENNER, A PROFESSIONAL
CORPORATION; THE DAVID E.
KENNER TRUST; INTERSCOPE
RECORDS; JIMMY IOVINE; JOHN T.
MCCLAIN, JR.; A&M RECORDS; ET
AL.,

NOTICE OF ENTRY OF JUDGMENT

Defendants.

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that pursuant to the Judgment dated March 9, 2005 (a true
and correct copy of which is attached hereto as Exhibit A), judgment was entered in the sum of
\$107,000,000.00, together with interest thereon at the rate of ten (10) percent per year from
March 9, 2005, in favor of LYDIA HARRIS and NEW IMAGE MEDIA CORP. and against

490205.1

NOTICE OF ENTRY OF JUDGMENT

00111

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 16 of 56

ORIGINAL FILED

MAR 09 2005

LOS ANGELES
SUPERIOR COURT

1 DAVID B. CASSELMAN (SBN 81657)
2 IDONALD WEISSMAN (SBN 67980)
3 WASSERMAN, COMDEN, CASSELMAN & PEARSON LLP
4 5567 Reseda Boulevard, Suite 330
5 Post Office Box 7033
6 Tarzana, California 91357-7033
7 Telephone: (818) 705-6800 • (323) 872-0995
8 Facsimile: (818) 705-8147

9 Attorneys for Plaintiffs
10 LYDIA HARRIS and NEW IMAGE MEDIA
11 CORPORATION

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 FOR THE COUNTY OF LOS ANGELES

14 LYDIA HARRIS, LIFESTYLE
15 RECORDS, INC., AND NEW IMAGE
16 MEDIA CORP.,

17 Plaintiffs,

18 v.

19 KEVIN GILLIAM AKA BATTLECAT;
20 MARION H. KNIGHT AKA SUGE
21 KNIGHT; DEATH ROW RECORDS;
22 THA ROW, INC.; DAVID E. KENNER;
23 DAVID E. KENNER PROFESSIONAL
24 LAW CORPORATION; DAVID E.
25 KENNER, A PROFESSIONAL
26 CORPORATION; THE DAVID E.
27 KENNER TRUST; INTERSCOPE
28 RECORDS; JIMMY IOVINE; JOHN T.
MCCLAIN, JR.; A&M RECORDS; ET
AL.,

Defendants.

CASE NO. BC 268857

Case Assigned to:
Judge Ronald M. Sohigian - Dept. 41

[Complaint Filed: February 26, 2002]

JUDGMENT

Upon the Order striking the Answer of MARION H. KNIGHT, aka SUGE KNIGHT, AND
DEATH ROW RECORDS, INC., ~~aka DEATH ROW RECORDS L.L.C. and THA ROW, INC.~~
to Plaintiffs' Complaint and entering default thereon, consideration of the Plaintiffs' Application
for Default Prove-up Damages and the supporting declarations of Lydia Harris, IDonald.
Weissman, Michael Harris and Phil Ames, and good cause appearing therefor,

JUDGMENT

00112

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 17 of 56

1 IT IS HEREBY ADJUDGED that judgment is entered in favor of plaintiffs, LYDIA
2 HARRIS and NEW IMAGE MEDIA CORP., and against defendants, MARION H. KNIGHT
3 aka SUGE KNIGHT ^{AND} ~~DEATH ROW RECORDS, INC., and DEATH ROW RECORDS LLC,~~
4 ~~and THE ROW, INC.~~, in the sum of \$ 45,000,000 for economic damages,
5 \$ 2,000,000 for non-economic damages, \$ 60,000,000 for punitive damages.
6

7 Further, PLAINTIFFS to recover costs pursuant to a memorandum of costs to be filed
8 pursuant to the statute IN THE AMOUNT OF \$ _____
9

10 Dated: MAR 09 2005
11

RONALD M. SOHIGIAN
JUDGE OF THE LOS ANGELES SUPERIOR COURT

WASSERMAN, CONDEN, CASSELMAN & PEARSON LLP
3597 REYES BLVD, SUITE 350
P.O. BOX 7033
TANZANIA, CALIFORNIA 91387-7033

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Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 18 of 56

PROOF OF SERVICE
Harris et al. v. Gilliam et al.
BC268857

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES:

I am employed in the County of LOS ANGELES, STATE OF CALIFORNIA. My business address is: 5567 Reseda Boulevard, Suite 330, Post Office Box 7033, Tarzana, California 91357-7033. I am over the age of 18 years and am not a party to this action.

On April 13, 2005, I served the following document(s) entitled NOTICE OF ENTRY OF JUDGMENT on ALL INTERESTED PARTIES in this action:

Dermot Damian Givens, Esq.
433 N. Camden Dr., Ste. 600
Beverly Hills, CA 90210

Attorney for defendant MARION H.
KNIGHT, DEATH ROW RECORDS
and THA ROW, INC.

☒ BY MAIL: By placing a true copy thereof in a sealed envelope addressed as above, and placing it for collection and mailing following ordinary business practices. I am readily familiar with the firm's practice of collection and processing correspondence, pleadings, and other matters for mailing with the United States Postal Service. The correspondence, pleadings and other matters are deposited with the United States Postal Service with postage thereon fully prepaid in Tarzana, California, on the same day in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ BY OVERNIGHT COURIER: I caused the above-referenced document(s) to be delivered to _____ for delivery to the above address(es).

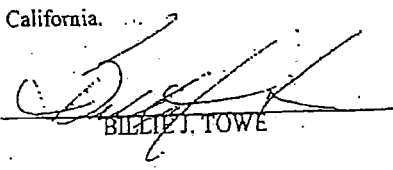
☐ BY FAX: I transmitted a copy of the foregoing document(s) this date via telecopier to the facsimile numbers shown above.

☐ BY PERSONAL SERVICE: I served such envelope to be delivered by hand to the offices of the addressee(s).

☒ [State] I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☐ [Federal] I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on April 13, 2005, at Tarzana, California.


BILLIE J. TOWE

NOTICE OF ENTRY OF JUDGMENT

400305.1

00114

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 19 of 56

EXHIBIT B

00115

Case 2:06-bk-11187-VZ Doc 524-2 Filed 05/02/08 Entered 05/02/08 15:56:55 Desc
Exhibit Page 20 of 56

COPY

1 DAVID B. CASSELMAN (SBN 81657)
2 IDONALD WEISSMAN (SBN 67980)
3 WASSERMAN, COMDEN, CASSELMAN & PEARSON LLP
4 5567 Reseda Boulevard, Suite 330
5 Post Office Box 7033
6 Tarzana, California 91357-7033
7 Telephone: (818) 705-6800 • (323) 872-0995
8 Facsimile: (818) 705-8147
9 Attorneys for Plaintiffs
10 LYDIA HARRIS and NEW IMAGE MEDIA
11 CORPORATION

FILED

MAR 26 2004

JOHN A. CLARKE, CLERK
BY R. McGLOTHLIN, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

11 LYDIA HARRIS, LIFESTYLE
12 RECORDS, INC., AND NEW IMAGE
13 MEDIA CORP.,

Plaintiffs,

v.

15 KEVIN GILLIAM AKA BATTLECAT;
16 MARION H. KNIGHT AKA SUGE
17 KNIGHT; DEATH ROW RECORDS;
18 THA ROW, INC.; DAVID E. KENNER;
19 DAVID E. KENNER PROFESSIONAL
20 LAW CORPORATION; DAVID E.
21 KENNER, A PROFESSIONAL
22 CORPORATION; THE DAVID E.
23 KENNER TRUST; INTERSCOPE
24 RECORDS; JIMMY IOVINE; JOHN T.
25 MCCLAIN, JR.; A&M RECORDS; ET
26 AL.,

Defendants.

CASE NO. BC 268857

Case Assigned to:
Judge David A. Workman - Dept. 40

[Complaint Filed: February 26, 2002]

ORDER CONFIRMING
ARBITRATION AWARD AND
JUDGMENT

ORDER

The petition of LYDIA HARRIS and NEW IMAGE MEDIA CORP. for an order
confirming an arbitration award came on regularly on February 5, 2004, at 8:30 a.m., in
Department 40 for hearing by the court.